Advanced Systems Automation Limited

2025

ANNUAL REPORT

Annual Report 2025

This Annual Report has been reviewed by the Company's Sponsor, Asian Corporate Advisors Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**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.

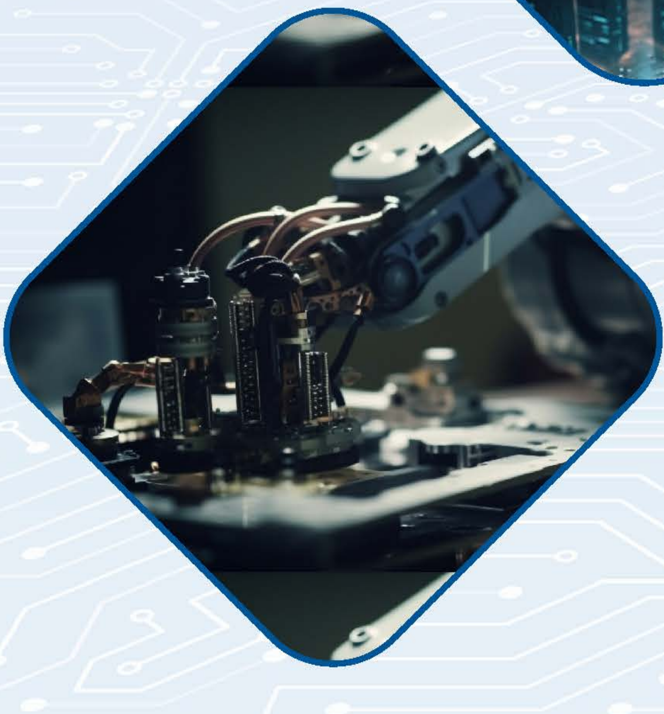
The contact person for the Sponsor is Mr. Liau H.K., at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: (65) 6221 0271.

ADVANCED SYSTEMS AUTOMATION LIMITED

Contents

Building our **sustainable** future

Advanced Systems Automation Limited ("**ASA**" or the "**Company**", and together with its subsidiaries, the "**Group**") entered the semiconductor industry in 1986. Its core business was in the manufacturing of automated equipment for the encapsulation in semiconductors. Today, ASA's encapsulation equipment continues to be used by semiconductor assembly processes around the world.



About us

In 1997, ASA embarked on developing the world's first total backend in-line equipment solution. Thereafter, in 2000, through further developmental efforts, ASA successfully launched the Solder Ball placement and the Saw Singulation and Sort machines. These machines were designed for the Ball Grid Array packages, which were then experiencing rapid growth. In 2003, a high-speed Flip Chip bonder was introduced to the market, and this design won the "Advanced Packaging Award" that year.

Over time, Equipment Contract Manufacturing Services ("**ECMS**") became the core business segment of the Group, with a focus on the manufacturing of electromechanical components and parts for the semiconductor and consumer electronics industries. In 2013, the Group expanded its competency and skill set in this business segment through the acquisition of Emerald Precision Engineering Sdn. Bhd., followed by Pioneer Venture Pte Ltd, Yumei REIT Sdn. Bhd. and Yumei Technologies Sdn, Bhd. in 2018. This stable of companies brought with them new skill sets in die-casting and plastic injection moulding, enabling the Group to offer a wide spectrum of comprehensive value propositions to a broader customer base and an expanded regional reach.

Subsequently in January 2021, the Group exited the manufacturing of automated backend equipment business for the semiconductor assembly process following the disposal of Microfits Pte Ltd.

In 2024, the Group embarked on diversification of its business and made significant strides in transforming the Group into a fully integrated aquaculture supply chain player, following the acquisition of LSO Organization Holdings Pte. Ltd. ("**LSO**") in August 2024. This strategic move, backed by our new management team's expertise, strengthens our foothold in hatcheries, aquatech farming, farm asset development, seafood processing and global distribution. By integrating these capabilities, we are positioning ourselves as a keen player in the fast-growing aquaculture industry, addressing rising global demand for sustainable seafood. A key milestone in our innovation roadmap for the aquaculture industry is the collaboration between our 50%-owned subsidiary, Lim Shrimp Organization Limited ("**LSO BVI**"), and Hewlett Packard Enterprise to co-develop, demonstrate and test a proof of concept for a shrimp farming intelligence centre. This initiative underscores our commitment to integrating AI-driven decision intelligence into aquaculture, enhancing productivity, efficiency, and sustainability across the industry.

With aquaculture prospects being strong, the industry is projected to grow significantly to meet rising global seafood demand and protein needs, especially as wild fisheries are limited. Our future prospects depend on sustainable development through technological innovation, such as using big data and AI for precision farming, developing sustainable feeds, and improving biosecurity and disease management.

For more information, please visit our website at www.asa.com.sg.

Letter to Stakeholders and Operations Review

A Year of Review, Stabilisation and Resilience

On behalf of the Board of Directors, I present the Annual Report 2025 of Advanced Systems Automation Limited (the "Company", and together with its subsidiaries, the "Group") for the financial year ended 31 December 2025 ("FY2025").

FY2025 was a challenging year for the Group. The Group continued to operate in an uncertain business environment marked by inflationary cost pressures, evolving customer requirements, realignment of supply chains and a generally cautious capital market. At the same time, the Company and the Group had to address a number of legacy issues, including the review of past transactions, ongoing disputes and claims, financial reporting matters and the need to strengthen internal governance and cost discipline.

The Board and Management have approached these matters in a measured and systematic manner. During the year, Management and the new Board reviewed various past transactions undertaken by the Company and the Group, with a view to better understand their commercial and financial impact, the obligations arising from them and the appropriate steps to be taken in the interests of the Company and shareholders. Where claims were made against the Company or the Group, Management assessed their basis and quantum carefully. The Company has sought, where appropriate, to resist claims which it considers inflated or not properly substantiated, while also exploring settlement at reasonable amounts and on commercially sensible terms where such an approach is in the best interests of the Group.

This work remains ongoing. The Board recognises that resolving legacy matters takes time and requires careful judgment. The objective is not merely to defend or settle individual claims, but to place the Group on a more stable footing, reduce uncertainty and allow Management to focus on operations, cashflow and future business development.

In parallel, the Company has taken steps to improve cost discipline. While certain professional and advisory costs had already been incurred in FY2025 and prior periods, the Board and Management have since taken steps to reduce future reliance on external advisers where appropriate. In particular, the office of Group General Counsel was established in January 2026 to enable the Group to manage a significant portion of its legal, regulatory, transactional and dispute-related work internally. This is expected to result in meaningful savings in professional fees going forward, while also allowing the Group to respond more quickly and consistently to legal, governance and compliance matters. The Group has also continued to assess other cost-saving measures so that its cost base is better aligned with expected revenues and existing payment obligations.

The Board believes that these steps are necessary for the long-term health of the Company. While they may not produce immediate results, they are intended to support a more disciplined, transparent and sustainable operating platform.

The Group's core business remains centred on equipment contract manufacturing services, supported by its precision engineering and manufacturing capabilities. The Group has also continued to assess the appropriate role and prospects of its aquaculture-related activities. However, Management is mindful that new business initiatives must be assessed carefully against available financial resources, execution capacity and the Group's existing obligations. The focus is therefore on disciplined execution, prioritisation of viable revenue-generating activities and the management of cashflow.

Commitment to Governance, Sustainability and Responsible Growth

The Board remains committed to strengthening the Group's governance framework, internal controls and financial discipline.

FY2025 highlighted the importance of strong oversight, timely financial reporting, careful review of material transactions and proper management of legal and commercial risks. The Board and Management have therefore placed emphasis on improving internal review processes, strengthening documentation and ensuring that significant matters are escalated and considered at the appropriate level.

Sustainability also remains relevant to the Group's operations. In the manufacturing business, the Group continues to look for practical ways to improve efficiency, reduce waste and manage energy and resource consumption. These initiatives must be implemented in a commercially realistic manner and in line with the Group's operational requirements.

In relation to the aquaculture segment, the Board continues to recognise the long-term importance of sustainable food production. However, the Group is taking a more cautious and disciplined approach in assessing the timing, scale and funding requirements of aquaculture-related initiatives. The priority remains to ensure that any future development is supported by proper commercial foundations, credible partners and a clear path to revenue generation.

Operations Review

The Group recorded revenue of S$16.3 million for the financial year ended 31 December 2025 ("FY2025"), representing a decrease of S$1.3 million, or 7.4%, from S$17.6 million in the corresponding period ended 31 December 2024 ("FY2024"). The decrease was mainly attributable to lower revenue contribution from the aquaculture segment.

Revenue from the aquaculture segment fell from S$1.0 million in FY2024 to S$7,000 in FY2025, following the cessation of sales from certain customers while existing projects continued to be in the gestation phase. Revenue from the aquaculture segment in the first six months ended 30 June 2025 was also restated from S$67,000 to S$3,000 due to a change in revenue recognition policy following a review of the relevant contract terms. Lim Shrimp Org Sdn. Bhd. ("LSOSB") had entered into a trading contract with a third-party customer in the first half of FY2025. Pursuant to the terms of the contract, LSOSB should recognise its trading fee of S$3,000 rather than the gross transaction amount of S$67,000.

The Group's gross profit margin ("GPM") for FY2025 was 26%, compared with 28% in FY2024. The decline in GPM was mainly due to lower capacity utilisation in the high-pressure die-casting and wheel business of the equipment contract manufacturing services ("ECMS") segment, as well as higher raw material and operating costs that could not be fully passed on to customers. The precision machining and engineering business undertaken by Emerald Precision Engineering Sdn. Bhd. continued to perform well, recording a full-year gross margin of 32.5%.

Selling and marketing expenses decreased by S$0.1 million, or 17%, from S$0.5 million in FY2024 to S$0.4 million in FY2025, mainly due to lower sales commission expenses and general expenses incurred during the year.

General and administrative expenses decreased by 62% in FY2025 compared with FY2024. The decline was mainly due to legal and professional fees incurred in FY2024 in connection with the proposed acquisition of 100% of the issued and paid-up share capital of LSO Organization Holdings Pte. Ltd. Following FY2025, the Group took further steps to manage its professional fee expenditure more closely, including establishing the office of Group General Counsel in January 2026. This is intended to reduce future reliance on external professional advisers, where appropriate, and support a more disciplined approach to legal, regulatory and transactional matters.

The Group recorded other losses of S$5.1 million in FY2025, compared to S$0.5 million in FY2024. The losses was mainly due to an impairment of goodwill amounting to S$8.2 million, mainly arising from the diminution of value-in-use for the aquaculture segment in FY2025, partially offset by gains on settlement of payables due to ASTI Holdings Limited of S$3.4 million.

Net finance costs decreased by 19%, or S$0.2 million, from S$1.1 million in FY2024 to S$0.9 million in FY2025. This was mainly due to lower interest accrued in amounts due to a former related party, ASTI Holdings Limited, and reduced interest expense following the full repayment of a bank loan.

As a result of the above, the Group reported a net loss attributable to equity holders of the Company of S$5.0 million in FY2025, compared with S$6.1 million in FY2024.

Balance Sheet

Property, plant and equipment increased by S$0.3 million, from S$6.5 million as at 31 December 2024 to S$6.8 million as at 31 December 2025, mainly due to additions during the year. The increase was partially offset by depreciation charges and foreign currency translation effects.

Intangible assets decreased by S$8.1 million, from S$12.8 million as at 31 December 2024 to S$4.7 million as at 31 December 2025, mainly due to the impairment of goodwill, partially offset by S$4,000 in capitalised website development costs and S$0.2 million in capitalised software development costs for the aquaculture segment.

Right-of-use assets remained relatively stable at S$0.8 million as at 31 December 2025, compared with S$0.9 million as at 31 December 2024.

Inventories decreased by S$0.1 million, from S$0.5 million as at 31 December 2024 to S$0.4 million as at 31 December 2025, mainly due to lower orders from the die-casting and wheel business unit.

Trade and other receivables decreased by S$0.6 million, from S$4.0 million as at 31 December 2024 to S$3.4 million as at 31 December 2025, mainly due to lower sales at the high pressure die-casting and wheel business.

Prepayments and advances remained relatively comparable at S$0.1 million as at both 31 December 2024 and 31 December 2025.

Trade and other payables, comprising current and non-current balances, decreased by S$3.3 million, from S$26.2 million as at 31 December 2024 to S$22.9 million as at 31 December 2025, mainly due to repayments made during the year.

Total lease liabilities decreased from S$0.4 million as at 31 December 2024 to S$0.2 million as at 31 December 2025, following the repayment of lease obligations.

Total loans and borrowings decreased by S$0.1 million, from S$2.4 million as at 31 December 2024 to S$2.3 million as at 31 December 2025, due to loan repayments during FY2025.

As at 31 December 2025, the Group reported net current liabilities of S$8.2 million and net liabilities of S$6.6 million. Please refer to Note 2.1 of the Notes to the Financial Statements for information on the Directors' assessment of the Group's and the Company's ability to continue as going concerns.

Cash Flow

Net cash used in operating activities amounted to S$0.2 million in FY2025. The Group recorded operating cash inflows before working capital changes of S$2.3 million. The main movements in working capital in FY2025 comprised: (i) a decrease in inventories of S$0.2 million; (ii) an increase in trade and other receivables, prepayments and advances of S$0.1 million; and (iii) a decrease in trade and other payables, contract liabilities and other liabilities of S$2.5 million. In addition, S$0.056 million was utilised for the payment of income tax in FY2025.

Net cash used in investing activities amounted to S$1.2 million in FY2025, mainly due to the purchase of property, plant and equipment, partially offset by proceeds from the disposal of property, plant and equipment in FY2025.

Net cash flows from financing activities reversed to an outflow of S$1.6 million due to the repayment of lease liabilities and net repayment of bank borrowings, compared to net inflows of S$3.3 million in FY2024 arising from the issue of convertible notes and rights shares during FY2024.

As a result, cash and cash equivalents amounted to S$1.4 million as at 31 December 2025, compared to S$4.0 million as at 31 December 2024.

Looking Ahead

As the Group moves through 2026, the Board remains realistic about the challenges ahead. The Group must continue to manage cashflow carefully, address legacy matters, resolve outstanding claims and obligations where possible, and rebuild confidence with stakeholders.

At the same time, the Board believes that the Group has a base from which to stabilise. The ECMS segment remains an important foundation of the Group, particularly where the Group is able to serve customers requiring precision machining, fabrication and engineering capabilities. Management will continue to focus on operational discipline, customer relationships, cost control and selective opportunities that can contribute to sustainable revenue.

The Group will also continue to evaluate its aquaculture-related activities carefully. While the segment faced significant challenges in FY2025, Management remains of the view that there may be long-term opportunities in sustainable aquaculture and related technologies. However, any future investment or expansion in this area will be assessed prudently, having regard to funding requirements, execution capability, commercial viability and the interests of shareholders.

The Board and Management will continue to review legacy transactions, manage disputes and claims, pursue reasonable settlements where appropriate, and resist claims that are considered inflated or not properly substantiated. This approach is intended to reduce uncertainty and preserve value for the Company.

The Group will also continue its cost-saving efforts, including the prudent management of professional fees, administrative expenses and other operating costs, so that the Group's cost structure remains aligned with expected revenues and payment obligations. The establishment of the office of Group General Counsel in January 2026 is part of this broader effort and is expected to help the Group manage future legal, regulatory and transactional work more efficiently and cost-effectively.

The Board does not underestimate the work required. However, with continued discipline, clearer governance and a more focused approach to operations and costs, we believe the Group can move toward a more stable footing.

A Note of Gratitude

On behalf of the Board, I would like to thank our employees for their commitment and resilience during a difficult year. I also thank our customers, suppliers, professional advisers and business partners for their continued support.

Most importantly, I thank our shareholders for their patience and support as the Board and Management continue the work of stabilising the Group, addressing legacy matters and positioning the Company for a more sustainable future.

Sincerely,

CHNG HEE KOK
Chairman

ASA

Director's profiles

MR CHNG HEE KOK

Independent and Non-Executive Chairman

Audit Committee Chairman

Remuneration Committee Chairman

MBA, National University of Singapore

BEng (Honours), University of Singapore

Mr Chng Hee Kok ("**Mr Chng**") had served as the Chief Executive Officer of Scotts Holdings Limited, Yeo Hiap Seng Limited, Hartawan Holdings Ltd., HG Metals Manufacturing Ltd. and LH Group Ltd, and Interim Chief Executive Officer of Chemical Industries (Far East) Ltd.

He was a Member of Parliament of Singapore from 1984 to 2001 and served on the boards of Sentosa Development Corporation and Singapore Institute of Directors. Currently he sits on the boards of a number of listed companies which include The Place Holdings Ltd, United Food Holdings Ltd., and Debao Property Development Ltd.. Mr Chng was awarded a Merit Scholarship by the Singapore Government and graduated with Bachelor of Engineering with First Class Honours.

MS NG FOONG HAN FCIArb, FSIArb

Executive Director

EMBA, Quantic School of Business and Technology (class of 2027)

GCIA, National University of Singapore

LLB(HONS), University of London (External)

GC Intl Studies, University of Sydney

BA (Professional Communications), RMIT University

Ms Ng Foong Han ("**Ms Ng**") is an experienced communications specialist and is a certified international arbitrator and accredited mediator. With a legal and communications background, her professional experience spans compliance, journalism, marketing and business development across diverse industries, including publishing, e-commerce, digital and out-of-home media, F&B, luxury goods, travel, vending solutions and blockchain/cryptocurrency/fintech.

This breadth of expertise equips Ms Ng with a well-rounded perspective on governance, strategic planning, negotiation and stakeholder management—capabilities that align strongly with the Company's priorities. Ms Ng has served as the Company's Corporate Secretarial Manager, overseeing governance, regulatory compliance and Board support. During a period of management transition, she played a pivotal role in stabilising operations and ensuring full adherence to statutory and SGX requirements.

MS GAN SHIYING, SONIA

Chief Operating Officer and Executive Director

MSc (Financial Economics), University of Oxford

BSc (Economics), First Class Honours, University College London

Ms Gan Shi Ying, Sonia ("**Ms Gan**") oversees the Group's operations, corporate development and strategic initiatives. She brings experience across investment management, corporate finance, corporate governance and venture building, having worked with founders, boards, family offices and business-owning families on business growth, scaling, succession planning and value-enhancing transactions, including mergers and acquisitions, capital raising and restructuring.

Prior to joining the Company, Ms Gan held leadership positions across both the public and private sectors, where she was involved in operational strategy, investment evaluation, corporate development and governance matters. She has also managed investment activities for family offices and served on the boards of portfolio companies across multiple industries. Ms Gan was awarded a Singapore Government Scholarship to pursue her studies at the University of Oxford and is currently a Council Member of the National Youth Council, Advisory Committee Member of National Youth Fund, Honorary Treasurer of Girl Guides Singapore, and an Accredited Director in Singapore.

Please refer to Appendix 7F of the Corporate Governance Report for more information.

MR LIM CHEN CHONG

Non-Independent and Non-Executive Director

BBA, University of Miami, Florida, USA

Accreditation by Australian Institute of Management

Mr Lim Chen Chong ("**Mr Lim**") has 37 years of experience in banking, finance, property development, food & beverage, aquaculture, fund management, township planning, social enterprise NGO projects, hotel management, manufacturing, coal mining, IoT technologies, power plant operations, logistics and transportation operations, pharmaceutical operations, retail management and construction management in Singapore, Indonesia, Thailand, Malaysia, China, Taiwan, the Philippines, Papua New Guinea, Timor Leste, Puerto Rico, Oman, Palau, and Saudi Arabia.

He also served as the Shrimp Value-Chain Specialist at the Asian Development Bank between 2000 to 2022, and remains as an active ADB Professional Consultant. Mr Lim is also the Co-Founder and Ex-President of Institute of Aquaculture Singapore. Over the last 37 years, he has also served as an advisor to many Presidents, Prime Ministers, Ministers, and Ambassador of Papua New Guinea, Malaysia, Indonesia, the Philippines, China, and Oman.

Please refer to Appendix 7F of the Corporate Governance Report for more information.

Director's profiles

MR HONG SEONG SOO

Independent and Non-Executive Director

BBA, Korea University

Mr Hong Seng Soo ("**Mr Hong**") is currently the CEO of Woosam Korea Co Ltd, and is an experienced specialist in FMCG, media IP, and digital technology platforms, and has over 25 years of cross-border commercialization and brand growth leadership experience across Asia.

His expertise lies in strategic brand localization, digital platform deployment, media IP monetization, and omnichannel expansion, combining consumer goods execution discipline with tech-enabled content and licensing strategy. Mr Hong has led multiple high-impact initiatives in the FMCG and digital media space, ranging from Colgate's omnichannel commercialization in Korea to media content IP enforcement and digital licensing operations across ASEAN markets.

MR KENNETH SNG MIN HUA

Non-Independent and Non-Executive Director

Mr Kenneth Sng Min Hua ("**Mr Sng**") served as the CEO of Lim Shrimp Organization Limited and was the COO of Advanced Systems Automation Limited. He has worked in several industries in Singapore, Hong Kong and China.

Corporate information

BOARD OF DIRECTORS

Executive:

Gan Shiying, Sonia
Chief Operating Officer and Executive Director

Devadas Naidu
Group General Counsel and Executive Director

Ng Foong Han, Leena
Executive Director

Non-Executive:

Chng Hee Kok
Independent and Non-Executive Director

Hong Seong Soo
Independent and Non-Executive Director

Lim Chen Chong
Non-Independent and Non-Executive Director

Kenneth Sng Min Hua
Non-Independent and Non-Executive Director

AUDIT COMMITTEE

Chng Hee Kok
Chairman

Hong Seong Soo
Lim Chen Chong

NOMINATING COMMITTEE

Hong Seong Soo
Chairman

Chng Hee Kok
Ng Foong Han, Leena

REMUNERATION COMMITTEE

Chng Hee Kok
Chairman

Hong Seong Soo
Lim Chen Chong

COMPANY SECRETARY
Ng Li-Yong

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Tel: (65) 6534 5700

Director-in-Charge:
Hock Xiu Min, Sandy
(with effect from the financial year ended 31 December 2024)

PRINCIPAL BANKERS
Malayan Banking Berhad
DBS

Appendix 1

ADVANCED SYSTEMS AUTOMATION LIMITED

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "Board" or "Directors") of Advanced Systems Automation Limited (the "Company") and its subsidiaries (collectively, the "Group") is committed to maintaining high standards of corporate governance and to complying with the Singapore Code of Corporate Governance 2018 (the "Code"), which forms part of the continuing obligations under the Listing Manual Section B: Rules of Catalist (the "Catalist Rules") of the Singapore Exchange Securities Trading Limited ("SGX-ST").

For the financial year ended 31 December 2025 ("FY2025"), the Company sought to comply with the principles of the Code. Where the Company's practices differed from the provisions of the Code, or where certain governance processes were not fully implemented during FY2025, the nature and reasons for the deviation, together with the remedial measures undertaken or proposed, are disclosed in the relevant sections of this Report. The Board regards sound corporate governance as important to the discharge of its duties and the protection of the interests of the Company and its Shareholders.

This Corporate Governance Report ("Report") describes the corporate governance practices of the Group during FY2025 and, where relevant, material governance developments and remedial measures undertaken after the end of FY2025 and up to the date of this Report.

The Independent Auditor's Report by the external auditor, CLA Global TS Public Accounting Corporation ("CLA"), on the Group's financial statements for FY2025 contains a disclaimer of opinion. CLA did not express an opinion on the Group's consolidated financial statements because it was unable to obtain sufficient appropriate audit evidence in respect of the matters described in the Bases for Disclaimer of Opinion section of its report.

Those bases for the disclaimer of opinion relate principally to unresolved opening balances and corresponding figures brought forward from FY2024, insufficient supporting information for certain FY2025 consolidation adjustments, unreconciled intercompany balances and transactions, the completeness and accuracy of related intercompany eliminations and the assumptions supporting the Group's use of the going-concern basis of accounting.

CLA was consequently unable to determine whether adjustments might have been necessary to the Group's assets, liabilities, income, expenses, cash flows, equity and related disclosures.

The Board has taken the disclaimer and its underlying matters into account in the disclosures and qualified assessments contained in this Report, particularly under Principles 1, 5, 9, 10 and 12.

Board's Assessment on Continued Trading in the Company's Shares

The Board has considered whether, having regard to the material internal-control deficiencies identified by Acclime, the matters underlying CLA's disclaimer of opinion and the deficiencies relating to the availability and maintenance of certain historical financial and accounting records described in this Report, there is presently no basis for the Company to request a suspension of trading in its Shares.

1.1 Notwithstanding these matters, the Board is of the view that sufficient information has been disclosed for trading of the Company's securities to continue in an orderly manner and confirms that all material information in relation to the Group has been duly made public.

The Board bases its assessment on the following:

- Comprehensive disclosure of material facts: The Company ensures prompt, transparent disclosures via SGXNet regarding major corporate updates, unaudited financial statements, transactional activities (such as warrants conversion and charges in shareholdings interests, etc.), and operational developments. The delay in completing the FY2025 audit — and consequently in releasing the FY2025 audited results and the 1Q2026/HY2026 unaudited results, given that the FY2025 closing balance affects the FY2026 opening balance — arose from the additional time required to recover and substantiate supporting financial documentation for FY2024 and FY2025, rather than from any decision to withhold information. Notwithstanding this delay, the Board is satisfied that all material information concerning the financial position of the Group has continued to be disclosed to shareholders through the Company's other SGXNet announcements issued during the intervening period.
- Effect of the delay on comprehensiveness of disclosure: The Board has specifically considered whether the delay in releasing audited and interim results has impaired the comprehensiveness of disclosure to Shareholders, and is of the view that it has not, for the following reasons: (i) the delay arises from a discrete and disclosed cause — the additional time required to complete the FY2025 audit — rather than from the suppression of adverse information; (ii) the Company has kept Shareholders informed of the reasons for, and progress of, the delay through successive SGXNet announcements, including its extension-of-time application, SGX RegCo's rejection of that application, and revised indicative timelines; and (iii) material developments arising during the delay period — including the settlement with ASTI Holdings Limited, the statutory demand from Zico Capital Pte Ltd statutory demand, the proposed debt-to-equity settlement agreements and the disposal of the LSO Group — have been separately announced as they arose, rather than held back pending completion of the audit. The Board therefore does not consider that the delay, of itself, has resulted in Shareholders being deprived of material information necessary to trade in the Company's Shares on an informed basis.

- No undisclosed material information: The Board affirms that it is not aware of any undisclosed material information or developments that would necessitate withholding or require a trading halt to prevent a false market.
- Operational and financial continuity: Where specific queries or extraordinary events have arisen, the Board carefully evaluates their financial impact. If an event is assessed not to have a material adverse impact on the Group's overall financial position — and the Group continues to operate in the ordinary course of business — the Board determines that investors possess adequate context to evaluate the stock.

In reaching this view, the Board has also taken into account the Company's delays in complying with the applicable timetable for the release of financial information, issuance of the FY2025 Annual Report and holding of the FY2025 AGM. The Board regards those delays as serious governance and regulatory matters and does not consider them immaterial merely because explanations have been provided to Shareholders.

The Board nevertheless distinguishes the existence of reporting and governance deficiencies from the separate question of whether continued trading in the Shares remains appropriate. In forming its present view, the Board has considered whether Shareholders and the market can continue to be provided with sufficient disclosure of the material financial, operational, audit, internal-control and going-concern matters affecting the Group, together with the Group's continuing operations and Management's ongoing remediation and restructuring activities.

The Board recognises that the matters identified by CLA and Acclime Risk Advisory Pte. Ltd. (“Acclime”), its internal auditor, are significant. Acclime's final internal audit report for FY2025 identified 25 findings, comprising 9 High-rated findings, 12 Medium-rated findings and four Low-rated findings. Accordingly, 21 of the 25 findings were rated High or Medium.

The Board does not consider independent validation unnecessary. Material findings will not be treated as closed merely because Management has accepted a recommendation or implemented a remedial measure. Appropriate evidence of implementation will be required and, where appropriate, the operation and effectiveness of the remedial control will be subjected to independent follow-up review by Acclime or another suitably qualified independent reviewer. The Board’s view that trading in the Company’s Shares may continue should not be understood as indicating that the internal-control deficiencies have been resolved, that the historical financial-record deficiencies have been cured or that CLA has provided assurance in respect of the matters forming the bases of its disclaimer of opinion.

In reaching its assessment, the Board has considered, among other matters, the material findings concerning financial and management reporting, IPT/RPT identification and monitoring, procurement and payment controls, banking authorities and security tokens, bank reconciliations, information-technology controls and the scope limitations encountered by Acclime. These matters, together with the detailed findings and remediation measures, are addressed under Principle 9 of this Report.

The Board will continue to review the appropriateness of continued trading in consultation with the Sponsor, having regard to the Group’s financial and operating position, liquidity, progress of the remediation programme and any material development which may affect the basis of the Board’s assessment.

BOARD MATTERS

Principle 1: The Board’s Conduct of Affairs

The Board is collectively responsible for directing and supervising the affairs of the Company, promoting the long-term success of the Group and remaining accountable to the shareholders of the Company (the “Shareholders”). Management (**“**Management”) is accountable to the Board for the conduct of the Group’s business and operations.

The Board oversees the business and affairs of the Group, approves the Group’s strategic direction and material transactions and supervises Management’s performance. It is responsible for setting the tone from the top, promoting ethical conduct and establishing the desired organisational culture and standards of accountability within the Group.

The Group’s appointed internal audit for FY2025 is Acclime Risk Advisory Pte. Ltd. (*formerly known as Crowe Singapore*) (“Acclime”). In Acclime’s internal audit review, it was identified that a number of the Group’s historical policies and procedures were not readily available to or fully implemented by current Management. Management subsequently located certain historical documents and commenced a review and updating exercise. Further details of the internal audit findings and the status of the remedial measures are set out under Principles 9 and 10 of this Report.

The Board endeavours to provide Shareholders with balanced and understandable assessments of the Group’s performance, position and prospects through the release of its half-yearly and full-year results announcements and other material updates, where applicable.

The principal functions of the Board include:

- setting the Company’s values and standards, including ethical standards, and ensuring that the Company’s obligations to Shareholders and other stakeholders are understood and met;

- providing entrepreneurial leadership, setting and approving the Group's strategic direction, including objectives relating to long-term value creation, innovation and sustainability, and ensuring that the necessary financial and human resources are available to meet those objectives;
- establishing and maintaining a sound risk-management and internal-control framework to identify, monitor and manage material risks and achieve an appropriate balance between risk and Company performance;
- constructively challenging and reviewing Management's performance and holding Management accountable for the achievement of the Group's agreed objectives;
- identifying the Group's material stakeholder groups and recognising that their interests and perceptions affect the Group's reputation and long-term success;
- approving annual business plans and budgets, major funding proposals, investments, divestments and other material transactions;
- appointing the CEO, Executive Directors and key management personnel and reviewing the remuneration framework applicable to the Board and key management personnel;
- considering environmental, social and governance matters as part of the Group's strategy and decision-making; and
- assuming overall responsibility for the Company's corporate-governance framework. [ACA1: to monitor and manage risks to achieve an appropriate balance];

During FY2025, the Board retained responsibility for material strategic, financial and governance matters. With effect from 15 April 2026, the Board approved the Group Governance Manual, comprising the Delegation of Authority Policy, Financial Approval Matrix, procurement governance requirements, SGX Catalist compliance controls and the Audit and Risk Committee Charter. The Manual formalises approval thresholds, delegated responsibilities, matters reserved for the Board and the documentation and escalation requirements applicable within the Group.

Under the Group Governance Manual, the following non-exhaustive matters are reserved for Board approval:

- corporate strategy and long-term plans;
- annual business plans and annual budgets;
- annual and interim financial statements;
- dividends and capital restructuring;
- capital raising and the issuance of shares or other securities;
- the incorporation, acquisition or disposal of subsidiaries;
- mergers and acquisitions;
- the disposal of businesses or strategically significant assets;
- entry into joint ventures or strategic alliances;
- the appointment or removal of the CEO and key senior executives, where required;
- any transaction or commitment exceeding S$500,000; and
- any matter involving significant risk or potential impact on the Group.

The Group Governance Manual allocates certain approval authorities to the CEO and CFO. As the Company does not presently have a CEO or CFO, authority assigned under the Manual to those offices is not exercised by another officer merely by reason of holding a different management position. Pending the appointment of the relevant officeholder or a specific interim delegation approved by the Board, matters falling within those authority levels are escalated to the Board or dealt with under specific Board approval.

Each Director is aware of his or her duties under applicable law, including the duties to act honestly and in good faith in the best interests of the Company, to exercise due care, skill and diligence, to avoid conflicts of interest and to disclose any interest in transactions or proposed transactions involving the Company.

Authority delegated under the Group Governance Manual is derived from the authority framework approved by the Board. Any specific interim delegation outside or modifying that framework requires appropriate Board approval. The ARC exercises oversight over the adequacy and operation of the relevant internal controls but does not thereby become the approving authority for every operational delegation.

Following completion of Acclime's initial fieldwork, Management located and provided the Board meeting minutes for FY2025 which had not previously been available to Acclime. Management understands that, following review of the additional records, the earlier finding concerning the availability of FY2025 Board meeting minutes was removed from Acclime's final report.

The Company has nevertheless strengthened its processes for the central retention of Board and Board Committee minutes, written resolutions, Board papers and supporting records.

Apart from matters specifically reserved for Board approval, authority is delegated to Management within the limits set out in the Board-approved Group Governance Manual. Delegation of authority does not relieve the delegating authority of ultimate responsibility, and all approvals must be documented, supported by relevant records and capable of audit verification.
All Directors are expected to exercise due care, skill, diligence and independent judgement and to make decisions objectively in the best interests of the Company. A Director who has an actual, potential or perceived conflict of interest is required to disclose the conflict and, where appropriate, abstain from the relevant deliberations and decision.

During FY2025, the Board was supported by the Audit Committee (“AC”), Nominating Committee (“NC”) and Remuneration Committee (“RC”). Each Board Committee operated under written terms of reference setting out its composition, authority, duties and operating procedures, including the requirement to report its deliberations, decisions and recommendations to the Board.

With effect from 15 April 2026, the Board merged the Audit Committee and the Board’s risk oversight functions into a single Audit and Risk Committee (“ARC”) under the Group Governance Manual. The ARC’s responsibilities include financial reporting and audit oversight, internal controls, enterprise risk management, regulatory compliance, technology and cybersecurity risk, crisis management, business continuity and whistle-blowing oversight. The NC and RC continue to discharge their respective nomination and remuneration responsibilities.

The delegation of functions to a Board Committee does not discharge the Board from its ultimate responsibility for the matters delegated.

Upon appointment, each Director is given a formal letter setting out his or her role, duties, obligations and responsibilities, the expected time commitment, matters reserved for the Board and the Company’s expectations concerning conduct, confidentiality, conflicts of interest, continuing training and compliance with applicable laws and the Catalist Rules. The Company also conducts an orientation programme for all newly appointed Directors to provide them with the information necessary or desirable for them to gain a better understanding of the Group’s businesses and governance practices. Where appropriate, new Directors may also undergo in-house sessions to familiarise themselves with their duties as Directors and their responsibilities under the relevant laws and regulations. Pursuant to Rule 406(3)(a) of the Catalist Rules, the Company will arrange for training courses for new Directors who do not have prior experience as a director of a public listed company in Singapore. These courses are generally organised by the Singapore Institute of Directors on the roles and responsibilities of a director of a listed company, or other training institutions in areas such as management, accounting, legal and industry-specific knowledge, where appropriate, in connection with their duties.

During FY2025, Mr. Kenneth Sng Min Hua, Mr. Hong Seong Soo and Ms. Ng Foong Han were appointed as Directors of the Company. Mr. Kenneth Sng Min Hua was appointed as an Executive Director on 12 June 2025 and subsequently appointed as COO on 20 June 2025. He resigned as COO and was re-designated as a Non-Executive and Non-Independent Director on 15 October 2025. Mr. Hong Seong Soo was appointed as an Independent Director on 1 October 2025. Ms. Ng Foong Han was appointed as an Executive Director on 15 October 2025.

After the end of FY2025, Ms. Gan Shiying was appointed as COO and Executive Director on 1 April 2026.

Mr. Hong Seong Soo has prior experience as a director of publicly listed companies in Singapore. The Company has identified the Directors who are required to complete the mandatory training prescribed under Rule 406(3)(a) of the Catalist Rules. As at the date of this report, Ms. Ng Foong Han has attended and completed the requisite seminars and training programmes as required under the Catalist Rules, which includes the mandatory training on Environmental, Social and Governance (“ESG”) (the “Requisite Training”). The NC has directed Mr. Kenneth Sng Min Hua and Mr. Lim Chen Chong to enroll for all outstanding mandatory training without further delay.

The NC has set an internal deadline of 31 August 2026 for each of them to provide evidence of enrolment and confirmed course dates, and a final internal deadline of 31 December 2026 for completion of all outstanding modules, subject to the availability of the prescribed courses.

Their enrolment and completion status will be monitored through the Directors’ training register and reported periodically to the NC and Board. Any failure to comply with the internal deadlines will be escalated to the Board and Sponsor.

Ms. Gan Shiying has enrolled for the Requisite Training. Her confirmed course dates and expected completion date are being obtained. The other Directors with outstanding training requirements have not enrolled for the outstanding modules as at the date of this Report.

The Company acknowledges that, in respect of any Director whose applicable one-year completion period has expired, the Requisite Training was not completed within the prescribed period. The NC has required the relevant Directors to enrol without further delay and will monitor enrolment and completion through a central training register and periodic reporting to the Board.

Director	Appointment date	Applicable deadline	Enrolment deadline	Completion deadline	Status
Mr. Lim Chen Chong	26 August 2024	To be confirmed	31 August 2026	31 December 2026	Outstanding and overdue
Mr. Kenneth Sng Min Hua	12 June 2025	11 June 2026	31 August 2026	31 December 2026	Outstanding and overdue
Ms. Ng Foong Han	15 October 2025	14 October 2026	Completed	Completed	Completed on 20 March 2026

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Director	Appointment date	Applicable deadline	Enrolment deadline	Completion deadline	Status
Ms. Gan Shiying	1 April 2026	31 March 2027	Enrolled	31 December 2026	In progress

On an ongoing basis, the Company provides Directors with relevant information and updates concerning the Group, its businesses and material changes in legislation, regulations and the Catalist Rules. Additional training will be arranged and funded where necessary. The NC reviews and makes recommendations to the Board concerning the training and professional development of Directors and monitors the completion of mandatory training.

The Board oversees the management of the Group's business and operations and reviews the strategies and financial initiatives proposed by Management.

Directors are provided with Board papers and such financial, operational, legal and business information as is available and relevant to the matters under consideration.

The Board recognises, however, that during FY2025 the completeness, timeliness and reliability of certain financial and management information were affected by deficiencies in historical records, unreconciled intercompany balances and difficulties in substantiating consolidation adjustments.

These deficiencies in the Board's view were mainly due to changes in the Group's finance personnel, following which the Company experienced difficulty strengthening the Group finance function within the timeframe originally contemplated. This was affected by the Group's financial constraints and its ability to offer remuneration competitive with that available for suitably experienced listed-company finance personnel.

The Company subsequently appointed Ms. Poh Meixiang, Crystal as Group Finance Manager with effect from 1 July 2026 as a measure to strengthen the finance function while the Board continues to consider the appointment of a suitably qualified Group CFO when the Group's financial position permits.

The Board considers the deficiencies affecting the completeness, timeliness and reliability of financial and management information, including historical record deficiencies, unreconciled intercompany balances and difficulties in substantiating consolidation adjustments, to constitute material deficiencies in the Group's financial-reporting and internal-control environment during FY2025.

The Board recognises that these matters were not confined to the historical FY2025 period and that, as at the date of this Report, a number of the remediation measures remain in the course of implementation. The Board therefore continues to treat financial and management reporting, record retention, reconciliation, consolidation and related internal controls as priority remediation areas.

Measures implemented or being implemented include the appointment of the Group Finance Manager, defined monthly reporting and bank-reconciliation timetables, entity-by-entity intercompany reconciliations, strengthened consolidation schedules and supporting documentation, centralised audit tracking, document-retention requirements and formal escalation of outstanding audit and reconciliation matters.

The Board does not regard these measures as fully effective merely because they have been introduced. Their implementation status will be reviewed by Management and reported to the ARC on an ongoing basis, with a formal internal review of the remediation programme targeted for 30 September 2026. Material remediation measures will thereafter be subject, where appropriate, to independent follow-up review by Acclime or another suitably qualified independent reviewer by November 2026. The timing of the independent follow-up review will be finalised having regard to the implementation status of the material findings so that the review is undertaken only after sufficient remediation evidence is available for meaningful testing.

These matters form part of the basis on which the Board and ARC have concluded, as described under Principle 9, that they are not in a position to state that the Group's risk-management and internal-control systems were adequate and effective throughout FY2025.

CLA was unable to obtain sufficient appropriate audit evidence concerning the Group's opening balances, corresponding figures, certain FY2025 consolidation adjustments and the completeness and accuracy of intercompany eliminations. The Board has taken those limitations into account when assessing the information available to it and has not assumed that the external audit provided assurance over those matters.

Acclime's internal audit review identified deficiencies during FY2025 in the preparation, retention and review of certain financial and management information, including budget approval and budget-to-actual monitoring. Management has undertaken to formalise the annual budgeting process, periodic variance analysis and reporting to the Board.

Directors are entitled to request from Management, and Management is required to provide, such additional information as a Director may reasonably require to make an informed decision on a timely basis.

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As part of the remedial measures undertaken after FY2025, the Company appointed a Group Finance Manager with effect from 1 July 2026. Her responsibilities include preparing complete monthly management accounts for the Company and the Group, comprising profit and loss, balance-sheet and cash-flow information, aged receivables and payables, bank and debt positions, intercompany balances and commentary on material movements.

Under her documented reporting timetable, monthly bank reconciliations are to be completed by the seventh working day after month-end, while monthly management accounts, Group consolidation information and treasury and liquidity reports are to be prepared by the tenth working day after month-end. The appointment of the Group Finance Manager forms part of the Company's post-FY2025 measures to strengthen monthly reporting, Group consolidation, bank reconciliations, treasury reporting, audit coordination and document retention.

The Board recognises that this appointment does not retrospectively resolve the historical record and audit-evidence limitations identified by CLA. The effectiveness of the strengthened finance arrangements will be assessed by reference to the quality, timeliness and completeness of subsequent financial reporting and supporting documentation.

The Board also duly monitors Management's performance and has separate and independent access to Management.

Board and Board Committee papers are ordinarily circulated in advance of meetings to allow Directors sufficient time to consider the matters to be discussed. Additional material or information requested by Directors is to be provided promptly. Employees or advisers with relevant knowledge may be invited to attend meetings to provide further information and respond to questions.

Directors have separate and independent access to Management and the Company Secretary. The Board and each Board Committee may obtain independent legal, accounting or other professional advice at the Company's expense where such advice is necessary for the proper discharge of their duties. The Group Finance Manager is required to attend meetings of the Board and the ARC when requested and to provide financial, audit, treasury and internal-control information relevant to the discharge of their respective responsibilities.

The Executive Directors update the Board at Board meetings on the Group's operations, strategies, financial position, material risks and business environment.

The appointment and removal of the Company Secretary is a matter for the Board. Directors have separate and independent access to the Company Secretary, whose responsibilities include advising the Board on governance matters, facilitating compliance with applicable laws, the Companies Act 1967 and the Catalist Rules, and ensuring that Board procedures are followed.

The Company Secretary is invited to attend all Board meetings. The Company Secretary, under the direction of the Chairman, facilitates good information flows within the Board and its Committees and between senior Management, the Non-Executive Directors and external advisers where necessary.

The Company Secretary also assists the Chairman and NC in coordinating the induction, training and continuing professional development of Directors, including maintaining records of mandatory training and arranging relevant programmes where required.

Attendance at Board and Committee Meetings

The Board meets at least four times each year and at such other times as circumstances require. The Company's Constitution permits meetings to be conducted by telephone or video conference. Board and Board Committee materials are ordinarily circulated in advance to allow Directors sufficient time to consider the matters to be discussed.

The frequency of the meetings of the Board and its various Committees and the attendance by the Directors for FY2025 are set out as follows below:

	Board Meeting	Audit Committee	Nominating Committee	Remuneration Committee
Number of Meetings	4	2	1	1
Directors				
Dato' Sri Mohd. Sopiyan B. Mohd. Rashdi (resigned on 19 June 2025)	3	1*	1*	1*
Mr. Steven Shen Hing (resigned on 25 May 2025)	3	1	1	1
Mr. Seah Chong Hoe (resigned on 19 June 2025)	3	1*	1*	1*
Mr. Chong Man Sui (resigned on 10 June 2025)	3	1	1	1

	Board Meeting	Audit Committee	Nominating Committee	Remuneration Committee
Prof. Ling Chung Yee (retired on 16 December 2025)	4	1	1	1
Mr. Chng Hee Kok	2	2	1	1
Mr. Lim Chen Chong	3	1*	1*	1*
Mr. Kenneth Sng Min Hua (appointed on 12 June 2025)	2	-	-	-
Mr. Hong Seong Soo (appointed on 1 October 2025)	-	1	-	-
Ms. Ng Foong Han (appointed on 15 October 2025)	1*	1*	-	-

* *Attendance marked with an asterisk reflects attendance by invitation and not membership of the relevant Board Committee.*

Based on the Company's Board and Board Committee attendance records for FY2025, four Board meetings, two Audit Committee meetings, one Nominating Committee meeting and one Remuneration Committee meeting were held during the financial year.

Of the current Directors who served throughout FY2025, Mr. Chng Hee Kok attended two of the four Board meetings and Mr. Lim Chen Chong attended three of the four Board meetings. Accordingly, based on the attendance table, Mr. Chng did not attend two Board meetings and Mr. Lim did not attend one Board meeting held during FY2025. The Board and the Nominating Committee have assessed this as acceptable as both directors have continually and diligently discharged their duties even outside of board meetings throughout the FY2025.

Mr. Kenneth Sng Min Hua, who was appointed to the Board on 12 June 2025, attended two Board meetings during FY2025. Mr. Hong Seong Soo, who was appointed on 1 October 2025, is recorded as having attended no Board meeting during FY2025, while Ms. Ng Foong Han, who was appointed on 15 October 2025, is recorded as having attended one Board meeting. These attendance figures should be read having regard to the respective dates of their appointments and the number of Board meetings actually held after each appointment. Ms. Gan Shiying was appointed only on 1 April 2026 and therefore does not form part of the FY2025 attendance record.

In relation to the Board Committees, Mr. Chng attended both Audit Committee meetings and the single Nominating Committee and Remuneration Committee meetings recorded for FY2025. Mr. Lim's recorded attendances at the Audit, Nominating and Remuneration Committee meetings are marked with an asterisk in the attendance table, which denotes attendance by invitation rather than membership of the relevant Committee. The attendance of the other current Directors should likewise be considered by reference to whether they were members of the relevant Committee at the time the meeting was held.

During FY2025, the Board maintained the AC, NC and RC, each of which operated under written terms of reference setting out its composition, authority, duties and operating procedures, including the obligation to report its deliberations, decisions and recommendations to the Board. With effect from 15 April 2026, the Board merged the Audit Committee and the Board’s risk oversight functions into the ARC under the Group Governance Manual. The delegation of functions to a Board Committee does not discharge the Board from its ultimate responsibility for the matters delegated.

Principle 2: Board Composition and Guidance

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

As at the date of this Report, the Board comprises six Directors, of whom two are Independent Directors, two are Non-Executive and Non-Independent Directors and two are Executive Directors. The Chairman of the Board is an Independent Director.

The Board has considered its composition against the applicable requirements of the Catalist Rules and the Code. The Board considers that the presence of an Independent Non-Executive Chairman, the participation of the Independent Directors, the composition and functions of the Board Committees and the procedures for the disclosure and management of conflicts of interest provide independent elements in the Board’s decision-making process. The Board and NC will continue to review the overall level of Board independence and whether the Board should be strengthened through the appointment of additional Independent Directors or Directors with relevant financial, accounting or industry expertise.

During FY2025 the compositions of the Board and the Board Committees were as follows:

Table A

CORPORATE GOVERNANCE REPORT

Director	Board Membership during FY2025	Audit Committee	Nominating Committee	Remuneration Committee	Relevant period / remarks
Mr. Chng Hee Kok	Non-Executive and Independent Director; appointed Non-Executive Chairman on 16 December 2025	Chairman	Member	Chairman from 20 June 2025	Continued in office throughout FY2025
Prof. Ling Chung Yee	Non-Executive Chairman and Lead Independent Director	Member	Chairman	Member	Retired from the Board and all Board Committees on 16 December 2025
Mr. Hong Seong Soo	Independent Director	Member from 16 December 2025	Chairman from 16 December 2025	Member from 16 December 2025	Appointed to the Board on 1 October 2025
Mr. Lim Chen Chong	Non-Executive and Non-Independent Director	Member from 20 June 2025	Member from 20 June 2025 to 16 December 2025	Member from 20 June 2025	Continued in office throughout FY2025
Mr. Kenneth Sng Min Hua	Executive Director from 12 June 2025; re-designated Non-Executive and Non-Independent Director on 15 October 2025	–	–	–	Also served as COO from 20 June 2025 to 15 October 2025
Ms. Ng Foong Han	Executive Director	–	Member from 16 December 2025	–	Appointed to the Board on 15 October 2025
Mr. Seah Chong Hoe	Executive Chairman and Chief Executive Officer	–	–	–	Resigned from the Board on 19 June 2025
Dato' Sri Mohd. Sopiyan B. Mohd. Rashdi	Non-Executive and Non-Independent Director	–	–	–	Resigned from the Board on 19 June 2025
Mr. Steven Shen Hing	Independent Director	Member	Member	Chairman	Resigned from the Board and all Board Committees on 25 May 2025
Mr. Chong Man Sui	Independent Director	Member	Member	Member	Resigned from the Board and all Board Committees on 10 June 2025

With effect from 15 April 2026, the Board merged the Audit Committee and the Board's risk oversight functions into a single Audit and Risk Committee pursuant to the Board-approved Group Governance Manual. The NC and RC continued to discharge their respective nomination and remuneration responsibilities.

Table B- Current Board and Board Committee Composition

Director	Board membership	ARC	NC	RC
Mr. Chng Hee Kok	Non-Executive Chairman and Independent Director	Chairman	Member	Chairman
Mr. Hong Seong Soo	Independent Director	Member	Chairman	Member
Mr. Lim Chen Chong	Non-Executive and Non-Independent Director	Member	–	Member
Mr. Kenneth Sng Min Hua	Non-Executive and Non-Independent Director	–	–	–
Ms. Ng Foong Han	Executive Director	–	Member	–
Ms. Gan Shiying	Executive Director and COO	–	–	–

The NC is responsible for determining the independence of Directors annually and whenever circumstances require, having regard to the Code, the accompanying Practice Guidance, the Catalist Rules and any other relationship or circumstance that could affect, or reasonably be perceived to affect, a Director's independent judgement.

In assessing independence, the NC considers whether a Director has any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or reasonably be perceived to interfere, with the exercise of the Director's independent judgement in the best interests of the Company. Each Independent Director is required to submit an annual declaration of independence for consideration by the NC and the Board..

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

Each Independent Director has confirmed that he is independent in conduct, character and judgement and does not have any relationship, including any relationship contemplated under Provision 2.1 of the Code, which could interfere, or reasonably be perceived to interfere, with the exercise of his or her independent judgement.

Collectively, the Directors contribute experience in corporate leadership, listed-company governance, legal and regulatory matters, business management, regional operations, strategic planning, mergers and acquisitions and industry-related matters.

The Board recognises the importance of strengthening the Group's accounting and financial-management capabilities. The Company appointed a Group Finance Manager with effect from 1 July 2026 as part of its post-FY2025 remediation measures.

The Board and NC will continue to assess whether additional financial, accounting or industry-specific expertise should be added at Board or senior-management level, having regard to the Group's circumstances and resources.

The Company does not presently have a Group CFO. The Board intends to recruit a suitably qualified and experienced Group CFO when the Group's cash-flow position permits. The NC will also continue to assess whether additional financial or accounting expertise should be added at Board level.

The Board and NC review the size and composition of the Board and Board Committees annually, taking into account the Group's strategy, operations, succession requirements and any identified gaps in skills, experience and independence.

In considering Board composition and succession planning, the Board and NC have regard to the Board Diversity Policy and the benefits of diversity in professional experience, industry background, gender, age, ethnicity, culture, geography and other relevant attributes. Appointments are made on merit while having regard to the contribution that a candidate can make to the collective effectiveness of the Board.

In February 2021, the Board approved a Board Diversity Policy which codifies the criteria used by the NC and Board to assess whether the attributes and core competencies of the Directors are complementary and contribute to the effectiveness of the Board. In summary, the following objective criteria are used to assess the diversity of the board:

- skills, knowledge and experience;
- industry background;
- gender;
- age and temperament;
- ethnicity and culture; and
- geographical experience.

The NC will review the Board Diversity Policy periodically to assess its effectiveness and will recommend any appropriate amendments to the Board for consideration and approval.

The Board appointed Ms. Ng Foong Han as a female Director on 15 October 2025 and Ms. Gan Shiying as a second female Director on 1 April 2026. The NC seeks to include suitably qualified female candidates whenever it considers potential appointments to the Board.

The Board recognises that gender is one aspect of diversity. Directors are selected on merit, taking into account their experience, skills, knowledge, judgement, independence and relevance to the present and future needs of the Group.

The Independent Directors are encouraged to constructively challenge Management's proposals, contribute to the development of strategy and monitor Management's performance against the Group's agreed objectives.

The Non-Executive Directors meet without the presence of Management as and when necessary. Such meetings are led by the Independent Chairman or another Independent Director, who provides feedback to the Board and Management, as appropriate.
Taking into account the nature and present scope of the Group's operations, the Board considers its current size workable. The Board and NC nevertheless recognise the need to continue reviewing the balance of independence, financial and accounting expertise, industry knowledge, diversity and other competencies required as the Group's operations and governance arrangements develop.

Principle 3: Chairman and Chief Executive Officer ("CEO")

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.

During FY2025, there were changes to the leadership of the Board. On 13 June 2025, pursuant to Regulation 82(A) of the Company's Constitution, the Board re-designated Prof. Ling Chung Yee as Chairman of the Board in place of Mr. Seah Chong Hoe. Mr. Seah Chong Hoe subsequently ceased to be an Executive Director and Chief Executive Officer of the Company on 19 June 2025.

Upon the conclusion of the Company's Annual General Meeting for the financial year ended 31 December 2024, held on 16 December 2025, Prof. Ling Chung Yee retired as Independent and Non-Executive Chairman pursuant to Regulation 88 of the Company's Constitution. Mr. Chng Hee Kok, an incumbent Independent and Non-Executive Director, was appointed as Non-Executive Chairman with effect from the same date.

In approving Mr. Chng's appointment, the Board considered the recommendation of the NC and Mr. Chng's experience, qualifications, suitability, performance and contribution since his appointment to the Board on 24 September 2024.

The Chairman is responsible for the effective functioning of the Board and for promoting high standards of corporate governance. His responsibilities include setting the Board agenda, ensuring the timely flow of relevant information between Management and the Board, allowing sufficient time for the discussion of material matters, particularly strategic and governance matters, and facilitating the effective contribution of all Directors.

The Chairman promotes a culture of openness, constructive challenge and debate and supports effective communication between the Company, its Shareholders and other material stakeholders.

Day-to-day management and operations of the Group are entrusted to the Executive Directors and Management, subject to the authority limits and matters reserved for the Board under the Group Governance Manual.

As at the date of this Report, the Company does not have a Chief Executive Officer. Executive management responsibilities are allocated between the Executive Directors, the Chief Operating Officer and other members of senior management in accordance with their respective roles and the authority framework approved by the Board.

Pending the appointment of a Chief Executive Officer, material executive and operational matters are escalated to the Board in accordance with the Group Governance Manual and specific Board approvals. Authority allocated under the Group Governance Manual to the office of the Chief Executive Officer is not exercised by another officer merely by reason of holding a different management position, unless the Board has expressly approved an interim delegation.

The Board recognises the importance of maintaining an appropriate balance between the powers of the Chairman, the Executive Directors and Management. During FY2025, the composition of the Board and Board Committees changed following several resignations, appointments and the retirement of Prof. Ling Chung Yee.

As at the date of this Report, the Board comprises six Directors, including an Independent Non-Executive Chairman and one other Independent Director. Independent oversight is also provided through the ARC, NC and RC, subject to the composition and responsibilities of each committee.

The Board has considered whether sufficient independent elements and safeguards were in place during FY2025, notwithstanding the changes in Board and Management composition during the year.

Independent oversight was supported by the presence of Independent Directors on the Board, the composition of the AC, NC and RC during the relevant periods, the separation of the Non-Executive Chairman's role from executive management functions, the requirement for interested Directors to disclose conflicts and abstain where appropriate, the ability of Non-Executive Directors to meet without Management and the Board's access to the external auditor, internal auditor, Company Secretary and professional advisers.

The Board nevertheless recognises that the effectiveness of those safeguards was affected by deficiencies in the availability and reliability of historical financial information, incomplete records, changes in Board and Management composition and the internal-control weaknesses identified by Acclime and CLA.

The Board therefore does not rely solely on the formal composition of the Board and its Committees as evidence that all oversight arrangements operated effectively throughout FY2025. Additional governance, approval, escalation and record-retention measures have been implemented after FY2025 through the Group Governance Manual and the establishment of the ARC.

The Board requires Directors to disclose actual, potential or perceived conflicts of interest and, where appropriate, abstain from deliberations and decisions relating to the relevant matter. The Board will continue to review whether the existing independent elements and safeguards remain appropriate having regard to the Group's operations, the composition of the Board and the absence of a Chief Executive Officer.
The Board is of the view that the separation between the role of the Independent Non-Executive Chairman and the roles of the Executive Directors promotes an appropriate balance of power, increased accountability and capacity for independent decision-making. The Chairman and the Executive Directors are not related to one another.

The Chairman does not participate in the day-to-day management of the Group. The Executive Directors and Management are responsible for implementing the strategies, policies and decisions approved by the Board and for reporting material operational, financial, legal and risk matters to the Board and the relevant Board Committees.

As the Chairman is an Independent Director, the Board has not appointed a separate Lead Independent Director as at the date of this Report. The Board will review the need for such an appointment if circumstances change or where required under the Code or the Catalist Rules.

Principle 4: Board Membership

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's collective experience includes listed-company governance, corporate leadership, legal and regulatory compliance, regional business operations, strategic transactions, industry-related matters and operational management. These capabilities are relevant to the Group's current priorities, including strengthening governance and internal controls, managing legacy liabilities and disputes, restructuring the Group's operations and evaluating new business opportunities.

The Board and NC recognise that dedicated accounting and financial-management expertise remains important to the Group. The Company appointed a Group Finance Manager with effect from 1 July 2026 and intends to consider the appointment of a suitably qualified Group CFO when the Group's cash-flow position permits. The NC will continue to assess whether additional financial, accounting or industry-specific expertise should be added to the Board

The nature of the Directors' appointments and their current memberships of the Board Committees are set out under Principle 2 of this Report.

Composition of the NC

During FY2025, the composition of the NC changed following the resignations and retirement of certain Directors. Prof. Ling Chung Yee served as NC Chairman until his retirement on 16 December 2025. Mr. Hong Seong Soo was appointed as NC Chairman with effect from the same date.

Mr. Steven Shen Hing ceased to be a member of the NC following his resignation from the Board on 25 May 2025. Mr. Chong Man Sui similarly ceased to be a member of the NC upon his resignation on 10 June 2025. Mr. Lim Chen Chong was appointed as a member of the NC with effect from 20 June 2025 and stepped down from the NC on 16 December 2025. Ms. Ng Foong Han was appointed as a member of the NC with effect from 16 December 2025.

As at the date of this Report, the NC comprises three Directors, namely Mr. Hong Seong Soo as NC Chairman, Mr. Chng Hee Kok and Ms. Ng Foong Han. A majority of the members, including the NC Chairman, are Independent Directors. During FY2025 and as at the date of this report, the NC comprised the following Directors:

Current NC Members

Director	Board designation	NC position
Mr. Hong Seong Soo	Independent Director	Chairman
Mr. Chng Hee Kok	Non-Executive Chairman and Independent Director	Member
Ms. Ng Foong Han	Executive Director	Member

Changes During FY 2025

Director	NC position	Relevant date
Prof. Ling Chung Yee	Chairman	Retired on 16 December 2025
Mr. Lim Chen Chong	Member	Appointed on 20 June 2025; stepped down on 16 December 2025
Mr. Steven Shen Hing	Member	Ceased on 25 May 2025
Mr. Chong Man Sui	Member	Ceased on 10 June 2025

Board Appointments

The NC makes recommendations to the Board on all Board appointments and re-appointments.

The principal responsibilities of the NC include:

- reviewing succession plans for Directors, including the Chairman, CEO and key management personnel;
- developing and reviewing the process and criteria for evaluating the performance of the Board, each Board Committee and individual Directors;
- reviewing the training and professional development of Directors;
- making recommendations to the Board on the appointment, reappointment and re-election of Directors;
- assessing the independence of each Independent Director; and
- assessing whether Directors with multiple board representations and other principal commitments are able to devote sufficient time and attention to the Company.

Process for Selection and Appointment of New Directors

When a new Director is required, the NC may identify candidates through professional search firms, recommendations, business contacts and other appropriate sources. The NC seeks to cast the search sufficiently widely and considers the skills, experience, independence, diversity and time commitment required by the Board.

In assessing a candidate, the NC considers the candidate's qualifications, knowledge, experience, integrity, independence, ability to contribute to the Board and understanding of the expected duties and time commitment. The NC also considers whether the candidate has served on the board of a company with an adverse track record, history of irregularities or regulatory investigation, and the extent of the candidate's involvement.

Following the NC's recommendation, the Board considers and, where appropriate, approves the appointment by Board resolution. A newly appointed Director is required to retire and submit himself or herself for re-election at the next AGM following appointment and thereafter at least once every three years in accordance with the Company's Constitution.

Retirement and Re-election of Directors

The NC reviews and makes recommendations to the Board on the re-election and reappointment of Directors. In doing so, the NC considers each Director's attendance, preparedness, participation, candour, time commitment, functional expertise, contribution to the Board and relevant Board Committees and, where applicable, independence.

The assessment parameters include attendance record, preparedness, the intensity of participation and candour at meetings of the Board and Board Committees as well as the quality of intervention and special contribution.

Each Director completes an evaluation of the Board, the relevant Board Committees and the contribution of individual Directors. The completed assessments are collated by the Company Secretary and submitted to the NC for review. No Director participates in the assessment of his or her own performance, independence, re-nomination or re-election.

All Directors are required to submit themselves for re-election at least once every three years. Under the Company's Constitution, at least one-third of the Directors, or the number nearest to but not less than one-third, retire by rotation at each AGM and are eligible for re-election. In considering re-election, the NC has regard to the composition and progressive renewal of the Board.

The dates of initial appointments and the last re-election of the Directors as well those seeking re-election at the next AGM as at the date of this report are set out below:

Directors	Designation	Date of Initial Appointment	Date of Last Re-election	Re-election at forthcoming AGM
Mr. Chng Hee Kok	Non-Executive Chairman and Independent Director	24 September 2024	16 December 2025	No
Mr. Lim Chen Chong	Non-Executive and Non-Independent Director	26 August 2024	16 December 2025	Yes
Mr. Kenneth Sng Min Hua	Non-Executive and Non-Independent Director	12 June 2025	16 December 2025	No
Mr. Hong Seong Soo	Independent Director	1 October 2025	16 December 2025	No
Ms. Ng Foong Han	Executive Director	15 October 2025	16 December 2025	No

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Directors	Designation	Date of Initial Appointment	Date of Last Re-election	Re-election at forthcoming AGM
Ms. Gan Shiying	Executive Director and COO	1 April 2026	Not applicable – appointed after the last AGM	Yes

The information relating to each Director seeking re-election, including his or her academic and professional qualifications, principal commitments, current and past directorships, experience, relationships, interests in shares, conflicts of interest and other information required under the Catalist Rules, is set out in the section headed "Additional Information on Directors Seeking Re-election" in this Annual Report.

The NC has considered Ms. Gan Shiying's other principal commitments, including her executive role with a family office. Having regard to the nature of that commitment, her responsibilities to the Company, her attendance and availability and the information provided by her concerning the time required for her other commitments, the NC is satisfied that she is able to devote sufficient time and attention to discharge her duties as an Executive Director of the Company.

Confirmation of Independence of Directors

For FY2025, the NC and Board assessed the independence of each Independent Director having regard to the Code, the accompanying Practice Guidance, the Catalist Rules, the Director's annual declaration of independence and any relationship or circumstance that could affect, or reasonably be perceived to affect, the Director's independent judgement. No Director participated in the assessment of his or her own independence or re-nomination. d.

The NC and Board assessed the independence of the following Directors during the periods in which they served in FY2025:

Mr. Chng Hee Kok — Independent;
Mr. Hong Seong Soo — Independent;
Prof. Ling Chung Yee — Independent until his retirement on 16 December 2025;
Mr. Chong Man Sui — Independent until his resignation on 10 June 2025; and
Mr. Steven Shen Hing — Independent until his resignation on 25 May 2025.

Based on the declarations and information available to it, the NC and Board concluded that the Directors identified above were independent in conduct, character and judgement during their respective periods of service and that no relationship or circumstance had been identified which was likely to affect, or could reasonably be perceived to affect, their independent judgement.

None of the Independent Directors serving during FY2025 or as at the date of this Report had served on the Board for more than nine years.

Directors' Time Commitment and Multiple Directorships

The NC assesses annually whether each Director is able to devote sufficient time and attention to the affairs of the Company, considering the Director's board representations, other principal commitments, attendance, preparation and actual contribution. The Directors are required to declare their board representations. Any Directors with multiple board representations are asked to ensure that sufficient time and attention are given to the affairs of each company.

Multiple Directorship Table

Director	Listed-company directorships	Other principal commitments	NC assessment
Mr. Chng Hee Kok	4	4	Acceptable
Mr. Hong Seong Soo		1	Acceptable
Mr. Lim Chen Chong	Nil	2	Acceptable
Mr. Kenneth Sng Min Hua	- Nil	1	Acceptable
Ms. Ng Foong Han	Nil	0	Acceptable
Ms. Gan Shiying	Nil	3	Acceptable

The Board and NC have considered whether a fixed maximum number of listed-company directorships and other principal commitments should be imposed.

The NC considers that a numerical limit alone may not accurately reflect the time commitment required, as the demands of different appointments vary according to the size, complexity, financial condition and level of activity of the relevant organisation.

As an internal guideline, a Director proposing to accept a new listed-company directorship or other significant principal commitment must first consult the Chairman and NC Chairman.

A Director holding more than four listed-company directorships, or an Executive Director holding more than two listed-company directorships, will ordinarily be subject to enhanced review by the NC of his or her time commitment and ability to discharge the duties owed to the Company.

These thresholds are guidelines rather than automatic limits. The NC may conclude that a lower number is excessive or that a higher number remains manageable, having regard to the nature of the appointments, attendance, preparation, periods of heightened activity and the Director's actual contribution.

In addition to the number of appointments, the NC considers the nature and complexity of each appointment, the size and operating demands of the relevant organisation, the Director's executive responsibilities, attendance and preparation for meetings, the time required during periods of heightened activity and the Director's contribution to the Company.

The NC determines annually whether a director with multiple board representations and/or other principal commitments is able to and has been adequately carrying out her duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. The Board and the NC also take into consideration whether a Director had previously served on the board of a company with an adverse track record or with a history of irregularities or is or was under investigation by regulators, and seek clarity on the Director's involvement therein. The Board and NC will also assess whether a Director's resignation from the board of any such company casts any doubt on the Director's qualification and ability to act as a Director of the Company. Based on the information provided by the Directors and its review of attendance, preparation and contribution, the NC concluded that each current Director was able to devote sufficient time and attention to the affairs of the Company during the relevant period.

There are currently no alternate directors on the Board.

Principle 5: Board Performance

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

In accordance with its terms of reference, the NC has established a process and criteria for the annual evaluation of the effectiveness of the Board as a whole, each Board Committee and the contribution of the Chairman and each individual Director.

The evaluation criteria include, where applicable, Board composition and independence, the conduct of meetings, the quality and timeliness of information provided to Directors, strategic oversight, risk management and internal controls, succession planning, the effectiveness of each Board Committee, attendance, preparedness, participation, candour, time commitment and the contribution of individual Directors.

Each Director completed an evaluation of the effectiveness of the Board as a whole and the Board Committees on which he or she served. Each Director also completed a peer evaluation of the contribution of the other Directors.

The evaluation forms were designed to assess, among other matters, the effectiveness of the Board and Board Committees, the quality of Board deliberations, the contribution and preparedness of individual Directors, the adequacy of information provided to the Board and the extent to which the Board discharged its strategic, governance and oversight responsibilities.

The completed evaluations were collated by the Company Secretary, and the consolidated results were submitted to the NC for review. No Director participated in the assessment of his or her own performance, independence, re-nomination or re-election.

In assessing the performance of the Board, the Board Committees and individual Directors for FY2025, the NC considered, among other matters:

- attendance at Board, Board Committee and general meetings;
- preparedness for and participation in meetings;
- the quality and relevance of each Director's contribution;
- the extent of constructive challenge and independent judgement;
- each Director's skills, experience and functional expertise;
- time commitment and availability;
- the effectiveness of the Board and Board Committees in overseeing strategy, financial reporting, risk management, internal controls and regulatory compliance; and
- the significant changes in Board and Board Committee composition during FY2025.

Having considered the evaluation results, the NC concluded that the Board and its Committees continued to discharge their respective functions during FY2025, but that their effectiveness was materially affected in certain areas by weaknesses in the availability and reliability of financial information, incomplete historical records, delays in financial reporting, unresolved consolidation matters, overdue Director training and deficiencies identified by the internal and external auditors.

The NC did not interpret the completion of the annual evaluation process as establishing that the Board's financial-reporting, risk-management and internal-control oversight was fully effective throughout FY2025.

The NC identified the timeliness and quality of management information, completion of mandatory training, financial and accounting expertise, succession planning and oversight of internal-control remediation as priority areas for further strengthening.

The NC has recommended that these areas be monitored as part of the Board's governance and professional-development programme for the following financial year.

The FY2025 evaluation was conducted internally without the assistance of an external facilitator. In determining the evaluation approach, the NC considered the use of peer comparisons, external benchmarks and an independent facilitator.

Having regard to the significant changes in the composition of the Board and Board Committees during FY2025, the NC considered that an internally administered evaluation was appropriate for the year under review. The NC will reconsider the use of an external facilitator, peer comparisons or other objective third-party benchmarks in a future evaluation cycle after the Board's composition and governance arrangements have had an opportunity to stabilise.

The NC reports the evaluation results and its recommendations to the Board. The Chairman, NC Chairman and, where appropriate, the relevant Board Committee Chairman will discuss identified areas for improvement with the Directors concerned. The NC will monitor the implementation of agreed follow-up actions as part of the next annual evaluation cycle.

The FY2025 evaluation assessed the AC as constituted during FY2025. Following the merger of the Audit Committee and the Board's risk oversight functions into the ARC with effect from 15 April 2026, the effectiveness of the ARC will be assessed as part of the next annual Board and Board Committee evaluation cycle.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and Key Management Personnel. No Director is involved in deciding his or her own remuneration.

Remuneration Committee

The Board appoints the members of the Remuneration Committee ("RC"), having regard to the recommendations of the Nominating Committee ("NC") and the skills, experience and independence required for the RC to discharge its responsibilities.

During FY2025, the composition of the RC changed following the resignations and retirement of certain Directors. Mr. Steven Shen Hing served as RC Chairman until his resignation from the Board on 25 May 2025. Mr. Chng Hee Kok was appointed as RC Chairman with effect from 20 June 2025.

Mr. Chong Man Sui ceased to be an RC member following his resignation from the Board on 10 June 2025, and Mr. Lim Chen Chong was appointed as an RC member with effect from 20 June 2025. Prof. Ling Chung Yee ceased to be an RC member upon his retirement from the Board on 16 December 2025, and Mr. Hong Seong Soo was appointed as an RC member with effect from the same date.

As at the date of this Report, the RC comprises Mr. Chng Hee Kok as RC Chairman, Mr. Lim Chen Chong and Mr. Hong Seong Soo. A majority of the RC members, including the RC Chairman, are Independent Directors.

The RC operates under written terms of reference and assists the Board in establishing a formal and transparent framework for determining the remuneration of Directors and Key Management Personnel, including remuneration payable on appointment, during service and upon termination, where applicable.

No Director or RC member participates in any discussion, recommendation or decision concerning his or her own remuneration. A member who has an interest in a matter under consideration is required to disclose the interest and abstain from the relevant deliberation and decision.

The principal responsibilities of the RC include:

- reviewing and recommending to the Board a framework of remuneration for the Board and Key Management Personnel;
- reviewing and recommending the specific remuneration packages of each Director and Key Management Personnel;

- ensuring that remuneration arrangements are fair, appropriate and sufficiently competitive to attract, retain and motivate persons of the required calibre;
- reviewing the level and mix of remuneration, including Directors' fees, salaries, allowances, bonuses, share-based incentives, benefits in kind and other benefits;
- considering the performance of the Group, the performance and responsibilities of the individual, relevant market conditions and the remuneration and employment conditions within the Group;
- reviewing the remuneration of Executive Directors and Key Management Personnel annually;
- reviewing the Group's obligations arising upon the termination of the service agreements of Executive Directors and Key Management Personnel to ensure that the termination provisions are fair, reasonable and not excessive;
- reviewing and recommending the establishment or amendment of share-option, performance-share or other long-term incentive arrangements;
- overseeing the remuneration principles applicable to any share-based incentive arrangements, while the relevant scheme committee administers the scheme in accordance with its rules; and
- reviewing succession, development and retention arrangements for senior management, where relevant to remuneration and incentive planning.

The RC may obtain independent professional advice on remuneration matters at the Company's expense where it considers such advice necessary. In appointing a remuneration consultant, the RC will consider whether any relationship between the consultant and the Company could affect the consultant's independence and objectivity. The RC did not appoint an external remuneration consultant during FY2025.

In assessing the remuneration of Executive Directors and Key Management Personnel, the RC considers the scope and complexity of the individual's responsibilities, individual performance, the Group's financial and operational performance, achievement of relevant objectives, conduct and compliance, market conditions and the need to promote sustainable long-term performance.

For the purposes of the Code, the RC considers whether an executive has the authority and responsibility for planning, directing and controlling the activities of the Company or the Group, whether directly or indirectly, in determining whether that person is Key Management Personnel.

Following the appointment of Ms. Poh Meixiang, Crystal as Group Finance Manager with effect from 1 July 2026, the RC and the Board will review her remuneration, performance objectives and employment arrangements having regard to the scope and complexity of her responsibilities, the Group's financial position and the need to attract and retain suitably qualified finance personnel.

The RC and Board have assessed whether the nature and extent of the authority and responsibilities assigned to Ms. Poh Meixiang, Crystal, as Group Finance Manager result in her being regarded as Key Management Personnel for purposes of the Code. In making that assessment, the RC and Board considered, among other matters, her responsibilities for Group financial reporting and consolidation, audit coordination, treasury reporting, budgeting and variance analysis, statutory and SGX financial-reporting support and coordination of finance-related internal-control remediation.

Following that review, the RC and Board determined that Ms. Poh should not presently be regarded as Key Management Personnel. While her responsibilities are important, the RC and Board determined that, at the present stage of her appointment, she does not have the level of authority and responsibility for planning, directing and controlling the activities of the Company or Group which would result in her being classified as Key Management Personnel. The RC and Board will keep this assessment under review as her responsibilities and authority develop.

In light of the expanded responsibilities and role undertaken by the Group General Counsel, Mr. Devadas Naidu, who joined the Group on 26 January 2026, the RC and the Board also reviewed whether he should be regarded as Key Management Personnel for FY2026. In making that assessment, the RC and the Board had regard to the nature and extent of his authority and responsibilities, including his oversight of the Group's legal, regulatory, compliance, governance, dispute-management and internal-control remediation matters, as well as his involvement in matters requiring consideration by the Board and its Committees. This included his inclusion as a signatory to some of the Company's bank accounts as well as authoriser/approval for payments made by the Company and being directed to co-ordinate the FY 2026 external audit exercise.

Following its review of the nature and extent of the authority and responsibilities exercised by the Group General Counsel the RC and Board determined that the Group General Counsel is a Key Management Personnel and accordingly has directed that his letter of appointment be reviewed and his expanded duties, responsibilities and authority be incorporated in such revised and/or varied letter of appointment.

Following the RC's and Board's determination, the Company is addressing with the Sponsor the consequential announcement requirements under Rule 704(6) and will make the relevant announcement without delay.

As Ms. Poh's appointment and Mr. Naidu's commencement with the Group took effect after the end of FY2025, their remuneration did not form part of the remuneration disclosures for FY2025.

The application of Rule 704(6) is a separate regulatory assessment. As neither appointment was announced under Rule 704(6) at the time of appointment, and the Board just having evaluated the KMP status of General Counsel the Company will seek the Sponsor's view on the appropriate announcement to be made.

Principle 7: Level and Mix of Remuneration

The level and structure of remuneration of the Board and Key Management Personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.
The RC's policy is that, where the Group's financial position and the nature of the role permit, a significant and appropriate proportion of the remuneration of Executive Directors and Key Management Personnel should be linked to corporate and individual performance.

Performance-related remuneration may take into account financial, operational, strategic, governance, compliance and risk-management objectives.

The proportion and form of variable remuneration will be determined having regard to the individual's responsibilities, the Group's performance and financial position and the need to avoid incentives which encourage excessive or inappropriate risk-taking.

During FY2025, the remuneration arrangements of the Group were predominantly fixed in nature. The Company is proposing to introduce the ASA Employee Share Option Scheme 2026 and ASA PSP 2026 are intended, subject to Shareholder approval, to provide greater flexibility to link future remuneration to performance, contribution, retention and long-term Shareholder value.

In determining the level and mix of remuneration for Executive Directors and Key Management Personnel, the Remuneration Committee ("RC") seeks to establish remuneration arrangements that are fair, appropriate and sufficiently competitive to attract, retain and motivate persons with the qualifications, experience and capabilities required by the Group.

The RC takes into account, among other matters:

- the scope and complexity of the individual's role and responsibilities;
- the individual's performance, conduct and contribution;
- the financial and operational performance of the Group;
- the achievement of relevant strategic, financial, operational, governance and compliance objectives;
- the risks associated with the individual's decisions and responsibilities;
- prevailing market and industry conditions;
- remuneration and employment conditions within the Group; and
- the need to promote sustainable long-term performance and alignment with the interests of Shareholders.

The remuneration of Executive Directors and Key Management Personnel may comprise fixed and variable components. The fixed component generally comprises base salary and applicable benefits. Any variable component may take into account the performance of the Group and the individual, the achievement of relevant objectives and the Group's financial position.

The RC seeks to ensure that performance-related remuneration is aligned with the Company's risk policies and does not encourage excessive or inappropriate risk-taking, short-term decision-making or conduct which may be prejudicial to the Company or its Shareholders.

Non-Executive Directors

Non-Executive Directors, including Independent Directors, do not have service contracts with the Company. They receive Directors' fees which take into account the responsibilities of the Director, the time and effort required, membership and chairmanship of Board Committees and the contribution made to the Company.

Directors' fees are recommended by the Board and are subject to approval by Shareholders at a general meeting. The RC seeks to ensure that the fees payable to Independent Directors are not excessive to the extent that their independence may be compromised.

Proposed ASA ESOS 2026 and ASA PSP 2026

The Company is proposing to introduce the ASA Employee Share Option Scheme 2026 ("ASA ESOS 2026") and the ASA Performance Share Plan 2026 ("ASA PSP 2026"), subject to the approval of Shareholders at an extraordinary general meeting and the applicable requirements of the SGX-ST.

The ASA ESOS 2026 and ASA PSP 2026schemes are intended to provide the Company with additional flexibility in structuring remuneration and incentive packages for eligible senior management employees, Executive Directors and Non-Executive Directors, including Independent Directors, in accordance with the respective rules of the schemes.

The Company recognises that, having regard to its present financial position and the need to conserve cash resources, it may not presently be able to offer fully market-competitive cash remuneration to suitably qualified and experienced professionals. This has created practical limitations in recruiting and retaining professionals whose skills are required to strengthen the Group's financial reporting, legal and regulatory compliance, governance, operations, management capabilities, restructuring efforts and future growth.

The ASA ESOS 2026 and ASA PSP 2026 schemes are therefore intended to assist the Company in attracting, retaining and motivating capable individuals by enabling the Company to offer a more balanced remuneration package comprising cash remuneration and equity-linked incentives.

The Board considers that the proposed schemes may be particularly relevant to the recruitment and retention of senior finance, legal, operational and management professionals, including a suitably qualified and experienced Group Chief Financial Officer when the Group's financial position permits such recruitment.

The schemes are also intended to:

- align the interests of participants with the long-term interests of Shareholders;
- reward contribution, performance and commitment to the Group;
- strengthen participants' identification with the long-term prosperity of the Group;
- encourage loyalty and retention;
- promote sustained performance and long-term value creation; and
- reduce the immediate cash burden which may otherwise arise from remuneration structured wholly in cash.

The ASA ESOS 2026 is intended to provide eligible participants with options to subscribe for Shares. The number and terms of Options granted would be determined having regard to matters such as the participant's role, responsibilities, performance, length of service or appointment, contribution and potential for future development.

The ASA PSP 2026 is intended to provide eligible participants with time-based or performance-related awards of fully paid Shares. Performance-related awards would be subject to prescribed performance conditions and performance periods determined by the Plan Committee.

The ASA ESOS 2026 and ASA PSP 2026 are intended to complement one another. The Company may, where appropriate, tailor the type and level of equity incentive having regard to the role of the participant, the purpose of the incentive, the performance or retention objective and the financial position of the Group.

The aggregate number of Shares which may be issued or transferred pursuant to Options and Awards under the ASA ESOS 2026 and ASA PSP 2026, together with Shares issued, issuable or transferred under any other share-based incentive scheme of the Company, will not exceed 15% of the total number of issued Shares, excluding treasury shares and subsidiary holdings, on the day immediately preceding the relevant date of grant and the same shall at all times be subject to Shareholder approval and applicable regulatory/listing requirements having being satisfied.

No Options or Awards will be granted under the proposed under the ASA ESOS 2026 and/or ASA PSP 2026 schemes unless and until the schemes have been approved by Shareholders and all applicable regulatory and listing requirements and rules have been satisfied.

Administration and Conflicts of Interest

The ASA ESOS 2026 will be administered by an Administration Committee comprising Directors authorised and appointed by the Board. The ASA PSP 2026 will be administered by a Plan Committee comprising Directors authorised and appointed by the Board.

A member of the Administration Committee or Plan Committee who is also a proposed participant will not participate in any deliberation or decision concerning Options or Awards to be granted to that member.

In determining whether, and to what extent, any Options or Awards should be granted, the relevant committee will have regard to the participant's responsibilities, performance, contribution, length of service or appointment, future potential, the performance and financial position of the Group, the intended retention or performance objective and such other factors as it considers relevant.

Shareholding and Retention

Executive Directors and Key Management Personnel who receive Shares pursuant to the ASA ESOS 2026 or ASA PSP 2026 will be encouraged to retain an appropriate proportion of those Shares beyond the applicable vesting or exercise period, subject to the need to fund any exercise price, acquisition cost and associated tax liability.

The RC will also consider whether appropriate arrangements should be implemented to encourage Non-Executive Directors who receive Shares under the proposed schemes to retain such Shares so as to align their interests with those of Shareholders, while ensuring that the level and structure of such equity participation do not compromise the independence and objectivity of the Independent Directors.

Any proposed grant to a Non-Executive Director or Independent Director will be considered carefully having regard to the person's contribution, the need to preserve independence and objectivity and the safeguards contained in the relevant scheme rules.

Recovery of Incentive Remuneration

The RC will consider the inclusion of contractual provisions permitting the Company to reduce, withhold, cancel or recover variable or share-based remuneration in exceptional circumstances, including:

- a material misstatement of the Company's financial results;
- fraud, dishonesty or serious misconduct;
- a material breach of duty;
- conduct resulting in material financial, regulatory or reputational loss to the Group;
- a material failure of risk management or internal controls for which the individual was responsible; or
- the grant or payment having been made on the basis of information which was materially inaccurate or misleading.

Any such provisions will be considered in the context of the relevant employment agreement, grant terms, scheme rules and applicable law.

Termination Provisions

The RC reviews the Group's obligations arising upon termination of the service agreements of Executive Directors and Key Management Personnel to ensure that termination provisions are fair, reasonable and not excessive.

The RC will also ensure that the treatment of any unvested or unexercised Options or Awards upon cessation of employment or office is governed by the applicable scheme rules and the relevant terms of grant.

Conclusion

The RC considers that the combination of fixed remuneration, appropriate performance-related remuneration and, subject to Shareholder approval, equity-linked incentives under the proposed ASA ESOS 2026 and ASA PSP 2026 would provide the Company with a more flexible remuneration framework.

Such a framework is intended to support the recruitment and retention of suitably qualified professionals, align the interests of participants with those of Shareholders and promote sustained performance and long-term value creation, while taking into account the Group's current financial position and the need to conserve cash resources.

Principle 8: Disclosure on Remuneration

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

The remuneration of each Director for FY2025 is disclosed below. The amounts stated comprise remuneration attributable to the period during which the relevant Director served in the applicable capacity during FY2025.

Remuneration of Directors for FY2025

Directors	Remuneration S$	Fees (%)	Fixed Salary (%)	Bonus & Management Incentive (%)	Share-Based Compensation (%)	Benefits & Allowance (%)	Total (%)
Mr. Chng Hee Kok	39,396*	100%	-	-	-	-	100%
Mr. Lim Chen Chong	33,471*	100%	-	-	-	-	100%
Mr. Hong Seong Soo	7,792*	100%	-	-	-	-	100%
Mr. Kenneth Sng Min Hua	83,858*	7.45%	92.5%	-	-	-	100%
Ms. Ng Foong Han	21,419	-	100%				100%
Ms. Gan Shiying	-	-	-	-	-	-	-
Prof. Ling Chung Yee	42,961*	100%	-	-	-	-	100%

Mr. Chong Man Sui	16,688*	100%	-	-	-	-	100%
Mr. Steven Shen Hing	14,900*	100%	-	-	-	-	100%
Mr. Seah Chong Hoe (CEO)	281,667	-	100%	-	-	-	100%
Dato' Sri Mohd. Sopiyan B. Mohd. Rashdi	14,083*	100%	-	-	-	-	100%

**Subject to the approval of shareholders at the upcoming AGM of the Company.*

No Options, Awards or other share-based remuneration were granted to any Director during FY2025. The proposed ASA ESOS 2026 and ASA PSP 2026 remain subject to Shareholder approval and had not been adopted as at the end of FY2025

Remuneration of key management personnel for FY2025

Provision 8.1 of the Code provides for the disclosure of the names, amounts and breakdown of remuneration of each individual Director and the CEO and, in bands no wider than S$250,000, at least the top five Key Management Personnel who are not Directors or the CEO.

Following the review of Mr. Lim Wee Beng, Eddie's role and the nature and extent of the authority and responsibilities exercised by him during FY2025, the RC and Board determined that he should be regarded as Key Management Personnel for FY2025. His aggregate remuneration for FY2025 was S$129,072.

The determination was made following the RC's and Board's subsequent review of Mr. Lim's functions and responsibilities in the course of finalising the FY2025 Corporate Governance Report and considering matters arising from the internal-audit and Sponsor review process.

In the course of the subsequent comprehensive review of the Company's FY2025 corporate-governance arrangements, management structure and the matters identified through the independent internal-audit and Sponsor review process, the RC and Board reviewed the actual nature and extent of the functions and responsibilities exercised by Mr. Lim during FY2025. Having regard to those functions and responsibilities as a whole, the RC and Board subsequently determined that he should be regarded as Key Management Personnel for FY2025.

The Board acknowledges that Mr. Lim's role and scope of responsibilities were known to the Company during FY2025, but that his position had not at that time been formally assessed and classified as Key Management Personnel for purposes of the Code. The Company acknowledges that this determination was made retrospectively and is therefore addressing the consequential disclosure and announcement requirements with the Sponsor and will make the appropriate announcement without delay.

The Company is reconstructing and reconciling the relevant FY2025 transaction population, including the transactions identified in Acclime's internal-audit review and transactions involving Mr. Lim and his associates. This exercise includes verification of the relevant relationships, transaction values, underlying agreements, payments, approvals and the basis on which Chapter 9 may apply.

Once the relevant transaction population and supporting information have been completed and independently reviewed by Acclime or another suitably qualified independent reviewer, the Company will consult SGX RegCo through the Sponsor on the consequential Chapter 9 treatment, including whether any relevant person should be treated as an interested person, whether any transaction constitutes an IPT and whether announcement, Shareholder approval, ratification or other remedial action is required.

The Company will identify the specific transactions after the transaction population, values and relevant relationships have been verified. The Company does not consider it appropriate to state an incomplete or unverified transaction list in the Report.

No termination, retirement or post-employment benefits were paid to the Directors or Key Management Personnel in respect of FY2025, other than any contractual payments arising in the ordinary course of employment or service, if applicable.

Payments previously made to the Company's previous CEO, Mr Seah as well as amounts withdrawn by him purportedly as renumeration are currently being investigated by the current Board as well as the Commercial Affairs Department (CAD) of the Singapore Police Force. The Board has considered commissioning an independent forensic review of certain historical financial transactions involving Mr. Seah and relevant Group entities. As at the date of this Report, no forensic accounting firm has been formally appointed. The timing of any appointment remains subject to, among other matters, the Company's financial resources, the scope of the proposed review and agreement of appropriate engagement terms. The amounts under review and any potential recovery remain subject to investigation, verification of the underlying records and, where applicable the aforementioned independent forensic review.

No conclusion should be drawn from this disclosure as to the amount, recoverability or accounting treatment of any potential claim unless and until the relevant investigation has been completed and the evidence assessed.

No asset, receivable or income should be recognised solely on the basis that a potential claim or recovery is being investigated or would be investigated in the near future.

The Company did not have an employee share option scheme or performance share plan in operation during FY2025.

After the end of FY2025, the Company proposed the adoption of the ASA ESOS 2026 and ASA PSP 2026. The proposed schemes are subject to Shareholder approval at an EGM and the applicable SGX-ST requirements. No Options or Awards may be granted unless and until the relevant scheme has been duly approved and adopted.

If the ASA ESOS 2026 and ASA PSP 2026 are approved and adopted, the Company will make the disclosures required under the respective scheme rules, the Catalist Rules and applicable law in subsequent annual reports, including disclosures concerning the members of the relevant scheme committees, grants to Directors and material grants to other participants.

There were no employees who were immediate family members of a Director, the then-CEO Mr. Seah or a substantial Shareholder and whose remuneration exceeded S$100,000 during FY2025.

Directors' fees are recommended by the Board and are subject to Shareholder approval at a general meeting. The remuneration of Executive Directors is reviewed by the RC and recommended to the Board for approval. No Director participates in any discussion or decision concerning his or her own remuneration.

The Company has considered the disclosure requirements under Practice Guidance 8.7. Based on the records and declarations available to the Company, there were no employees during FY2025 who were substantial Shareholders or immediate family members of a Director, the then-CEO or a substantial Shareholder and whose remuneration required separate disclosure under the Practice Guidance.

ACCOUNTABILITY AND AUDIT
RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: Risk Management and Internal Controls

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

The Company appointed Acclime on 6 March 2026 to conduct an internal controls review relating principally to FY2025. Acclime conducted its fieldwork from 16 March 2026 to 27 March 2026 and the review covered the following areas:

- high-level governance and control environment;
- revenue and receivables management;
- procurement and payables management;
- treasury management;
- information-technology general controls;
- interested-person transactions;
- sustainability reporting; and
- follow-up of prior-year findings relating to Pioneer Venture Pte. Ltd.

The Board and management had considered the nature and significance of the abovementioned matters together with the matters forming the bases of the external auditor's disclaimer of opinion on the consolidated financial statements for the financial year ended 31 December 2024 ("FY2024") before confirming the scope of the internal audit with the internal auditor.

During the course of their internal audit, Acclime identified 25 findings, comprising nine High-rated findings, 12 Medium-rated findings and four Low-rated findings. The findings were not limited to the absence of formal policies. They included deficiencies affecting the operation and evidencing of key governance, finance, treasury, procurement, payment, information-technology, sustainability and regulatory processes. In their audit report, Acclime also stated the limitations they had encountered in obtaining sufficient and appropriate audit evidence in relation to certain information technology general controls and interested party transactions ("IPTs").

In particular, Acclime's review identified:

- an incomplete availability of certain historical governance records;
- the absence of a complete and consistently maintained register of interested persons and related parties;
- weaknesses in the identification, assessment, approval and documentation of interested-persons transactions ("IPTs") and related-party transactions ("RPTs");
- the absence of a sufficiently formalised annual budgeting and budget-to-actual monitoring process;
- weaknesses in procurement initiation, quotation evaluation, vendor onboarding, purchase approvals and payment documentation;
- deficiencies in segregation of duties over banking and payment processes;

- incomplete evidence of timely preparation and independent review of bank reconciliations;
- weaknesses in the administration of bank mandates, authorised signatories, access rights and security tokens;
- incomplete documentation of IT policies, user-access management, backup, recovery and vendor controls;
- insufficient governance and supporting evidence for sustainability reporting; and
- incomplete implementation of the prior-year internal-audit recommendations relating to quote evaluation and the documentation of bank reconciliation and of policies and procedures due to a lack of disciplined follow-through.

Acclime had codified the above findings with specific examples and had proposed a raft of remedial recommendations, for which the management had accepted (and noted by Acclime in their report) and had commenced a programme of corrective action.

Following the internal-audit review, the Board designated the COO and Group General Counsel to be jointly responsible for overseeing the Group-wide implementation of the remediation programme. The Group Finance Manager will also support the implementation and verification of finance-related remediation measures.

At the subsidiary level, the General Manager and Finance Head of each subsidiary are jointly made responsible for the local implementation, maintenance of supporting evidence and reporting on the implementation progress. They are required to provide progress reports to the COO and Group General Counsel on a fortnightly basis.

The principal remedial measures include:

- implementing the Board-approved Group Governance Manual and Delegation of Authority ("DOA") framework;
- reviewing and updating the historical policies, procedures and the employee handbook;
- strengthening financial-reporting, treasury, procurement and payment controls;
- formalising the preparation, documentation and review of monthly bank reconciliations;
- strengthening vendor-onboarding and accounts-payable procedures;
- improving supporting-document and approval requirements;
- establishing a formal process for identifying, monitoring and reviewing related-party and interested-person transactions;
- strengthening information-technology access, email, backup, security and vendor-management controls;
- strengthening sustainability-reporting governance and supporting records; and
- tracking the implementation of internal-audit recommendations and retaining evidence of completion.

At the same time, the Board and Audit Committee obtained appropriate information and assurances from the Executive Directors and members of Management responsible for the relevant functions. Such assurances address, where applicable:

- the maintenance of proper financial and operational records;
- the preparation and completeness of financial information;
- the identification and escalation of material risks;
- compliance with approved authority limits and internal procedures;
- the completeness and accuracy of information provided to the Board, auditors, Sponsor and regulators; and
- the implementation status of material internal-control recommendations

The Board is in the process of formalising these assurances in writing and expects to complete this by 30 September 2026. Prior to that, assurances were obtained verbally in the course of Board and Management meetings.

In addition, the Board also reviewed the implementation timetable having regard to the significance of the abovementioned findings. Immediate control changes relating to payment approvals, banking access, preservation of records, IPTs and escalation of material matters were implemented without delay. The principal Group policies, finance, treasury, procurement, IPT/RPT, IT and subsidiary-control measures are targeted for progressive implementation during August and September 2026.

The status and target completion dates of the principal remediation measures are set out below:

Area	Finding severity	Remedial measure	Status	Target completion
Governance / Board records	High	Board-approved Governance Manual & Delegation of Authority framework	**Implemented** — approved and took effect 15 April 2026, comprising the DOA Policy, Financial Approval Matrix, procurement governance requirements, Catalist	Implemented 15 April 2026

Area	Finding severity	Remedial measure	Status	Target completion
			compliance controls and ARC Charter	
IPT/RPT	High	Establishment of IPT/RPT register and approval process	**Partially implemented** — register and supporting procedures already implemented as of 30 July 2026 and reconstructed transaction schedule prepared, but (i) not yet reviewed/confirmed by Acclime, (ii) specific matters (LSO BVI loan, Food Steward acquisition, IPT consultation paper) still pending Board determination and proposed EGM ratification	Register: implemented 30 July 2026. EGM ratification: targeted after the AGM.
Treasury / banking	High	Bank mandate, signatory and access review	**Partially implemented** — immediate changes to payment approvals and banking access stated as implemented without delay; formal bank reconciliation review/documentation still being formalised under Group Finance Manager's reporting timetable (recons due 7th working day post month-end)	Immediate measures: done. Full formalisation: within the Aug–Sept 2026 progressive implementation window.
Procure-ment	Medium	Vendor onboarding & payment documentation controls	**In progress** — revised procurement/vendor-management procedures and approval/supporting-document controls being implemented.	Targeted for progressive implementation during August–September 2026
IT general controls	Medium	Access management, backup, vendor controls	**In progress.**	Progressive implementation Aug–Sept 2026.
Sustaina-bility reporting	Medium	Governance and supporting records	**In progress**.	Progressive implementation Aug–Sept 2026.

Apart from the matters set out above, the internal audit and the Board's own review identified the following specific IPTs that may require disclosure:

- Loan to Lim Shrimp Organisation Limited: The Board is currently reviewing whether shareholder ratification is required under Chapter 9 of the Catalist Rules and will make a further announcement in this regard.
- Acquisition of LSO Pacific Pte Ltd (formerly known as Food Steward Pte Ltd): The Board has since been briefed on the transaction and is considering whether ratification and/or shareholder approval is required, and whether any other governance or disclosure steps are necessary.

The Board acknowledges that no complete and consistently maintained IPT/RPT register was in place covering the period during which the abovementioned transactions occurred. A register has since been established as part of the remediation programme referred to above.

The Board and Company are currently examining if there are any other matters that will require further remediation and/or ratification, for example by way of convening an Extraordinary General Meeting to obtain shareholders' approval, etc.,

The Board has also taken cognisance of the Company and Group's current financial resources in setting up the abovementioned timelines. For the time being, a formal review of the implementation status will be conducted internally, on 30 September 2026, by the COO, Group General Counsel and Group Finance Manager. Any material item remaining incomplete at that date will be reported to the Audit Committee together with the reason(s) for delay, the person accountable and a revised completion deadline.

As the findings identified by the internal auditor were not limited to the absence of formal policies or procedures, but also included deficiencies affecting the operation, documentation and evidencing of key governance, financial, treasury, procurement, payment, information-technology, sustainability and regulatory processes. As at the date of this response, the Board is of the view that the findings identified by the internal audit have been substantially addressed through immediate remedial actions already implemented, particularly in relation to payment approvals, banking access, preservation of records and escalation of material matters. The Board recognises that certain remediation measures — including the formalisation of Group-wide policies, the IPT/RPT register and related governance processes — remain in progress and are targeted for completion in accordance with the timeline set out above. The Board does not consider the Group's internal controls to be fully remediated at this juncture but is satisfied that the interim measures in place, together with the oversight described below, provide an adequate control environment pending full implementation.

The Board and management are in discussions with Acclime on the timeline for the internal audit for the financial year ending 31 December 2026 ("FY2026") and target to commence the internal audit for FY2026 on 2 November 2026. The assessment of the remediation measures mentioned above will form part of the scope of the internal audit for FY2026.

The Board and ARC consider that the material internal-audit findings and limitations should be disclosed to Shareholders at a level sufficient to explain the nature of the deficiencies, their potential implications and the principal remedial measures being undertaken.

Audit and Risk Committee

During FY2025, the Audit Committee ("AC") assisted the Board in overseeing financial reporting, internal controls and the material risks affecting the Group.With effect from 15 April 2026, the Board approved the Group Governance Manual and merged the Audit Committee and the Board's risk-oversight functions into a single Audit and Risk Committee ("ARC"). The Company therefore does not maintain a separate Board Risk Committee.

The Board considers that the combined ARC structure is appropriate having regard to the present size, operations and circumstances of the Group. The Board will review the need for a separate risk committee should the scale or complexity of the Group's operations materially increase.

Under the Group Governance Manual, the ARC's responsibilities include:

- reviewing the Group's financial statements and overseeing the internal and external audit functions;
- reviewing the adequacy and effectiveness of the Group's internal controls;
- overseeing the Group's enterprise risk-management framework;
- reviewing material financial, operational, legal, regulatory and compliance risks;
- overseeing crisis-management and business-continuity planning;
- reviewing compliance with the Catalist Rules;
- reviewing interested-person and related-party transactions;
- overseeing material technology and cybersecurity risks; and
- overseeing the whistle-blowing framework and the independent investigation of reported matters.

The Board, with the assistance of the ARC, reviews the Group's material risks, the controls established to manage those risks and the status of remedial measures undertaken by Management. The Group Governance Manual provides the formal framework for the discharge of these responsibilities.

The Board retains ultimate responsibility for the governance of risk and for determining the nature and extent of the significant risks which the Group is willing to take in achieving its strategic objectives. The ARC assists the Board in discharging this responsibility but does not relieve the Board of its ultimate responsibility for risk governance and internal controls.

Risk-Management and Internal-Control Framework

The Group Governance Manual establishes principles relating to accountability, segregation of duties, compliance, escalation, documentation and auditability.

Under the Group Governance Manual:

- delegation of authority does not relieve the delegating authority of ultimate responsibility;

- responsibilities for approval, execution, recording and review are to be segregated where practicable;
- matters presenting significant financial, legal, operational or reputational risk are to be escalated;
- approvals are to be properly documented and supported by relevant records;
- transactions are to be carried out within the applicable authority limits;
- material agreements and legally binding documents are to be subject to legal review; and
- supporting documents and records are to be retained in a manner that permits review and audit verification.

The Group Governance Manual also contains approval thresholds, matters reserved for the Board, procurement requirements, banking and treasury controls, legal-review requirements, SGX Catalist compliance controls, risk-escalation procedures, cybersecurity-governance provisions and internal-audit and whistle-blowing arrangements.

The Group Governance Manual took effect on 15 April 2026 and represents a material measure implemented after FY2025 to strengthen the Group's governance, risk-management and internal-control framework.

Financial and Management Information

During and following FY2025, the Group experienced changes in Board, executive and finance personnel. The absence of a complete handover from certain former personnel contributed to difficulties in retrieving historical accounting records, agreements, supporting documents and explanations relating to certain transactions and balances.

The Board recognises that changes in personnel do not relieve the Company of its obligation to maintain proper records and prepare reliable financial information. The difficulties arising from the transition have therefore been treated as internal-control and record-retention deficiencies requiring remediation.

During FY2025, the Group experienced material weaknesses in the preparation, consolidation, reconciliation, retention and timely availability of financial and management information.

CLA reported that the matters underlying its FY2024 disclaimer in relation to Financial Statements remained unresolved and that it was unable to obtain sufficient appropriate audit evidence concerning the Group's opening balances as at 1 January 2025 and the corresponding figures.

CLA was also unable to obtain sufficient supporting information and documentation for certain FY2025 consolidation adjustments.

The intercompany balances and transactions reflected in the Group's intercompany matrix could not be fully reconciled between the relevant entities. CLA was therefore unable to obtain sufficient appropriate audit evidence concerning the completeness and accuracy of the related intercompany eliminations and consolidation adjustments.

Consequently, CLA was unable to determine whether adjustments might have been necessary to the carrying amounts of the Group's assets and liabilities, its income, expenses, cash flows, movements in equity, corresponding figures or related disclosures.

The Board and ARC regard these matters as material financial-reporting and internal-control deficiencies. The post-FY2025 measures described in this Report do not retrospectively remove the limitations affecting the FY2025 financial statements

Following the end of FY2025, the Company took steps to strengthen the finance function, including the appointment of Ms. Poh Meixiang, Crystal as Group Finance Manager with effect from 1 July 2026.

Her role includes supporting the preparation of management accounts and Group financial information, coordinating with the external and internal auditors, assisting with treasury and liquidity reporting and supporting the implementation of finance-related control improvements.

The Board and ARC will monitor the effectiveness of the strengthened finance arrangements as part of their continuing oversight of financial reporting and internal controls

Legal and Regulatory Compliance

The office of Group General Counsel was established in January 2026 to support the Board and Management in relation to legal affairs, regulatory compliance, corporate governance, material contracts, dispute management, risk escalation and internal-control remediation.

Under the Group Governance Manual, material agreements and legally binding documents are required to be reviewed by the Group General Counsel or Legal Department before execution. Matters presenting material legal, regulatory or reputational risk are required to be escalated to the appropriate authority.

The establishment of the Group General Counsel function and the implementation of the Group Governance Manual are intended to strengthen legal, regulatory and governance oversight across the Group.

Internal Controls Review

The Company appointed Acclime Risk Advisory Pte. Ltd. (“Acclime”) on 6 March 2026 to conduct an internal controls review relating principally to FY2025.

Acclime conducted its fieldwork from 16 March 2026 to 27 March 2026. The review covered the following areas:

- high-level governance and control environment;
- revenue and receivables management;
- procurement and payables management;
- treasury management;
- information-technology general controls;
- interested-person transactions;
- sustainability reporting; and
- follow-up of prior-year findings relating to Pioneer Venture Pte. Ltd.

Acclime’s final report contains 25 findings, comprising 9 High-rated findings, 12 Medium-rated findings and four Low-rated findings.

In response to the Company’s request for clarification concerning the difference between the findings appearing in an earlier working draft and the final report, Acclime confirmed on 17 August 2026 that five findings had been removed from the final report. These related to Board meeting minutes, rental and utilities cost allocation, cheque-payment documentation, Board approval and bank mandates for bank-account opening, and sole banking authority. Acclime confirmed that the removals arose respectively from the subsequent production of supporting documents, reassessment of materiality, the relevant process no longer being applicable, and remediation supported by documentation.

The Board notes that the removal of these findings from Acclime’s final report does not mean that the matters were never identified during the internal-audit process. Rather, Acclime reassessed them before issuing its final report having regard to the additional information, documentation, materiality assessment and remediation described above. Of the findings contained in Acclime's final report, four relate to Acclime's follow-up review of prior-year internal-audit recommendations concerning Pioneer Venture Pte. Ltd. The findings were not limited to the absence of formal policies. They included deficiencies affecting the operation and evidencing of key governance, finance, treasury, procurement, payment, information-technology, sustainability and regulatory processes. In their audit report, Acclime also stated the limitations they had encountered in obtaining sufficient and appropriate audit evidence in relation to certain information technology general controls and interested party transactions (“IPTs”).

In particular, the review identified:

- incomplete availability of certain historical governance records and Board minutes;
- the absence of a complete and consistently maintained register of interested persons and related parties;
- weaknesses in the identification, assessment, approval and documentation of IPTs and RPTs;
- the absence of a sufficiently formalised annual budgeting and budget-to-actual monitoring process;
- weaknesses in procurement initiation, quotation evaluation, vendor onboarding, purchase approvals and payment documentation;
- deficiencies in segregation of duties over banking and payment processes;
- incomplete evidence of timely preparation and independent review of bank reconciliations;
- weaknesses in the administration of bank mandates, authorised signatories, access rights and security tokens;
- incomplete documentation of IT policies, user-access management, backup, recovery and vendor controls;
- insufficient governance and supporting evidence for sustainability reporting; and
- incomplete implementation of prior-year internal-audit recommendations.

The Board and ARC have reviewed the internal-audit report and consider that the material findings and scope limitations are disclosed in this Report at a level intended to explain the nature of the deficiencies and the principal remediation measures.

Acclime's engagement was an internal-controls review and was not intended to constitute a comprehensive legal opinion or a rule-by-rule audit of the Group's compliance with the Catalist Rules.

The Board recognises that, notwithstanding the scope of Acclime's engagement, certain findings identified in the internal-controls review may have implications for the Company's obligations under the Catalist Rules, including the requirements relating to Directors' and officers' responsibilities, timely disclosure, internal controls and risk management, interested-person transactions and the relevant annual-report disclosures.

The fact that Acclime's engagement did not constitute a rule-by-rule compliance audit does not preclude the Board from considering whether a finding gives rise to a separate disclosure, approval, remediation or other obligation under the Catalist Rules.

The Board will separately assess, with the assistance of the Group General Counsel, Company Secretary and Sponsor, the regulatory implications of the material internal-audit findings, including their implications under Rules 109 to 112, 703, 719(1), 719(2), 719(3), Chapter 9, 1204(10) and 1204(10C), as applicable.

That assessment has not yet taken place. Accordingly, the Board does not consider it appropriate to make a blanket statement that all matters identified through the internal-audit review were fully compliant with all applicable Catalist Rules. Where an actual or potential non-compliance, disclosure requirement, approval requirement or other regulatory consequence is identified, the Company will address the matter with the Sponsor and SGX RegCo and take such disclosure, approval or remedial action as is applicable.

Compliance with the Catalist Rules is separately overseen by the Board and ARC with the assistance of the Group General Counsel, Company Secretary and Sponsor.

Following the internal-audit review, the Board designated the COO and Group General Counsel as jointly responsible for overseeing the Group-wide implementation of the remediation programme.

At subsidiary level, the General Manager and the person responsible for the finance function of each subsidiary are jointly responsible for local implementation of the relevant remediation measures, maintenance of supporting evidence and reporting on implementation progress. They are required to provide progress reports to the COO and Group General Counsel on a fortnightly basis.

The Group Finance Manager supports the implementation and verification of finance-related remediation measures.

Material matters which remain outstanding or overdue will be reported to the ARC together with the reason for delay, the person responsible and the revised implementation date.

The foregoing summary is not intended to suggest that Acclime's findings were limited to the matters expressly listed. The final Acclime report contains 25 findings across the areas described above, including detailed observations concerning individual control processes and transactions.

These matters should be read together with the scope limitations described below and the Board's and ARC's conclusion that the relevant control systems cannot be assessed as adequate and effective throughout FY2025.

Implementation of the remediation programme has commenced. Certain immediate control changes have been introduced, while a significant number of the findings remain in the course of remediation and have not yet been independently validated.

In addition to the internal-control findings identified by Acclime, CLA's audit of the FY2025 financial statements was subject to material limitations.

The principal limitations concerned:

- unresolved opening balances and corresponding figures carried forward from FY2024;
- insufficient supporting information for certain current-year consolidation adjustments;
- unreconciled intercompany balances and transactions;
- insufficient evidence concerning the completeness and accuracy of the related intercompany eliminations;
- the potential consequential effect on assets, liabilities, income, expenses, cash flows, equity and related disclosures; and
- insufficient appropriate audit evidence concerning the likelihood of the assumptions supporting the Group's going-concern assessment.

These matters resulted in CLA disclaiming its opinion on the Group's FY2025 consolidated financial statements.

Information-Technology Scope Limitation

Acclime encountered limitations in obtaining sufficient supporting information and documentation in relation to certain information-technology general-control domains.

As a result, Acclime's procedures were restricted principally to governance and security policies and infrastructure and network security. Acclime was unable to perform procedures over:

- access and identity management;
- data protection and backup;
- change management;
- incident and risk management; and
- third-party and vendor risk management.

Acclime was therefore unable to conclude on the effectiveness of controls in the information-technology domains which were not assessed.

The Board and ARC have taken this limitation into account in their assessment of the Group's information-technology controls

Follow-up of Prior-Year Findings

The outstanding recommendations from the November 2024 review of Pioneer Venture Pte. Ltd. related principally to:
documenting the comparison and evaluation of quotations before appointing vendors;
eliminating sole or incompatible authority over bank accounts and payment processes;
ensuring that monthly bank reconciliations are prepared, independently reviewed and supported by evidence of review; and
formalising and implementing written finance, procurement and operational procedures.

It was identified that the incomplete implementation of the abovementioned remedial recommendations during FY2025 was due to a lack of disciplined follow-through. The Board has directed that the remaining recommendations be implemented by 30 September 2026, subject to independent verification.

The General Manager and Finance Head of Pioneer Venture Pte. Ltd. are responsible for local implementation and are required to report progress fortnightly to the COO and Group General Counsel.

The Board and ARC will continue to monitor these matters and will require appropriate supporting evidence before any recommendation is treated as fully implemented.

Management's Remedial Measures

Management has accepted Acclime's recommendations and has commenced a programme of corrective action.

The principal remedial measures include:

- implementation of the Board-approved Group Governance Manual and Delegation of Authority framework;
- review and updating of historical policies, procedures and the employee handbook;
- strengthening financial-reporting, treasury, procurement and payment controls;
- formalising the preparation, documentation and review of monthly bank reconciliations;
- strengthening vendor-onboarding and accounts-payable procedures;
- improving supporting-document and approval requirements;
- establishing a formal process for identifying, monitoring and reviewing related-party and interested-person transactions;
- strengthening information-technology access, email, backup, security and vendor-management controls;
- strengthening sustainability-reporting governance and supporting records; and
- tracking the implementation of internal-audit recommendations and retaining evidence of completion.

Management's responses to the internal-audit findings identify the persons responsible for the relevant remedial measures and the target dates for implementation.

The Board reviewed the implementation timetable having regard to the significance of the findings.

Immediate control changes relating to payment approvals, banking access, preservation of records and escalation of material matters have been or being implemented without delay.

The principal Group policies, finance, treasury, procurement, IPT/RPT, IT and subsidiary-control measures are targeted for progressive implementation during August and September 2026.

A formal internal review of the implementation status will be conducted on 30 September 2026 by the COO, Group General Counsel and Group Finance Manager.

Any material item remaining incomplete at that date will be reported to the ARC together with the reason for delay, the person accountable and a revised completion date.

The Board has taken cognisance of the Company and Group's current financial resources in setting up the abovementioned timelines

The Board recognises that, given the number and severity of the findings, remediation should be progressed as expeditiously as reasonably practicable. In approving and monitoring the implementation timetable, the Board has considered the relative risk rating of each finding, whether immediate interim controls can be introduced, the complexity of the permanent remediation, the availability of Management and financial resources and the need for sufficient implementation evidence before a finding can properly be treated as closed.

The Board does not regard resource constraints as a reason to defer material risk mitigation where an interim control can reasonably be implemented. Higher-risk matters and measures capable of immediate implementation are therefore to be prioritised. The timetable remains subject to continuing ARC oversight and may be accelerated where practicable.

Assurance from Management

The Board and ARC obtain appropriate information and assurances from the Executive Directors and members of Management responsible for the relevant functions.

Such assurances address, where applicable:

- the maintenance of proper financial and operational records;
- the preparation and completeness of financial information;
- the identification and escalation of material risks;
- compliance with approved authority limits and internal procedures;
- the completeness and accuracy of information provided to the Board, auditors, Sponsor and regulators; and
- the implementation status of material internal-control recommendations.

The Board's assessment does not depend solely on assurances from a CEO or CFO.

As the Company does not presently have those officeholders, the Board and ARC obtain information and representations from the Executive Directors and members of Management responsible for the relevant functions, together with the work and observations of CLA, Acclime, the Group Finance Manager, Group General Counsel and subsidiary management.

The Board recognises that this arrangement does not replicate the assurance ordinarily provided by a CEO and CFO and has taken that limitation into account in reaching its qualified assessment of the Group's risk-management and internal-control systems for FY2025.

Before approving the Annual Report, the Board will obtain written representations from the relevant Executive Directors confirming, to the best of their knowledge and based on reasonable enquiries:

(a) that proper financial and operational records have been maintained and safeguarded to the extent within their areas of responsibility;

(b) that material information provided for preparation of the financial statements is complete and not knowingly false or misleading;

(c) that material liabilities, commitments, disputes and related-party matters known to them have been disclosed;

(d) that material risks have been identified and escalated; and

(e) the implementation status of material internal-control recommendations.

Any representations will be qualified by reference to the records and information available to the person giving the representation. They will not constitute independent audit evidence and will not resolve the matters forming the bases of CLA's disclaimer.

Neither Executive Director is being relied upon as possessing professional accounting qualifications or as replacing the functions ordinarily performed by a CEO or CFO. The written representations described above are Management representations based on the respective Executive Director's knowledge, responsibilities and reasonable enquiries. The Board considers those representations together with information from Group Finance and the work and observations of the internal and external auditors and does not treat the representations as independent accounting or audit assurance.

Board and ARC Assessment

In assessing the Group's risk-management and internal-control systems for FY2025, the Board and ARC considered:

(a) the findings and scope limitations contained in Acclime's internal-audit report;
(b) CLA's disclaimer of opinion and the bases for that disclaimer;
(c) the unresolved opening balances and corresponding figures;
(d) the deficiencies affecting consolidation adjustments, intercompany reconciliations and eliminations;
(e) CLA's inability to express an opinion on whether the accounting and other records required by the Companies Act 1967 had been properly kept;
(f) the status of prior-year internal-audit recommendations;
(g) the material going-concern uncertainties;
(h) Management's responses and remediation programme; and
(i) the information and qualified representations provided by the relevant Directors and Management.

Having regard to these matters, the Board and ARC are not in a position to state that the Group's risk-management and internal-control systems, including its financial, operational, compliance and information-technology controls, were adequate and effective throughout FY2025.

In particular, the Board and ARC are not in a position to conclude that the Group's financial-reporting controls operated effectively throughout FY2025, given the unresolved opening balances, insufficient evidence for consolidation adjustments, unreconciled intercompany balances and CLA's inability to determine the consequential effects on the consolidated financial statements.

The Board and ARC will reassess the position after the material remediation measures have been implemented, supported by appropriate evidence and subjected to independent follow-up review. Such future reassessment will not retrospectively alter CLA's disclaimer of opinion on the FY2025 financial statements.

Acclime identified weaknesses in procurement initiation, quotation evaluation, vendor onboarding, approval documentation and accounts-payable processes. Management is implementing revised procurement and vendor-management procedures, approval requirements and supporting-document controls.

Principal Risks

An assessment of the significant risks relevant to the Group's businesses, operations, financial position and compliance obligations has identified the principal risks described below. The list is not exhaustive, and the Board and ARC will continue to review the Group's risk profile as its operations and circumstances develop.

(a) Industry and Market Risk

The Group's businesses include operations connected with the semiconductor and aquaculture-related industries. Demand for the Group's products and services may be affected by general economic conditions, industry cycles, capital-expenditure trends, customer demand, commodity and input costs and changes in market conditions.

Adverse developments in the industries in which the Group operates may affect the Group's revenue, cash flow, profitability and ability to execute its business plans.

(b) Technology Risk

The markets in which the Group operates may be affected by technological developments and changes in customer requirements.

The Group's future performance may depend on its ability to identify relevant technological developments, maintain appropriate technical capabilities and adapt its products, services and operations in a timely and cost-effective manner.

Failure to respond adequately to technological developments or customer requirements may adversely affect the Group's competitiveness and financial performance.

Acclime identified deficiencies and scope limitations in certain information-technology general-control areas, including access and identity management, data protection and backup, change management, incident and risk management and third-party/vendor risk management. Management is strengthening IT governance, access administration, backup and recovery arrangements, vendor controls and incident-management procedures. The effectiveness of the relevant remedial controls will be included in the accelerated follow-up review.

(c) Foreign-Exchange Risk

The Group is exposed to foreign-exchange risk arising from transactions, revenue, expenses, assets and liabilities denominated in currencies other than the Singapore dollar, which is the Company's reporting currency.

Movements in exchange rates may affect the Group's reported results, cash flows and financial position.

(d) Treasury/liquidity risk

Acclime identified weaknesses in banking, treasury, bank-token controls and documentation and review of bank reconciliations. The Group has implemented revised bank-authority, reconciliation, payment-approval, cash-flow reporting and treasury-monitoring procedures.

(d) Liquidity and Going-Concern Risk

For FY2025, the Group incurred a net loss of approximately S$5.550 million and generated a net operating cash outflow of approximately S$0.189 million [ACA3: figure does not tally with cash flow statement]. As at 31 December 2025, the Group had net current liabilities of approximately S$8.162 million and net liabilities of approximately S$6.603 million, while the Company had net liabilities of approximately S$9.20 million.

The Board and Management recognise that these conditions, together with the ZICO statutory demand, the Company's obligations under the ASTI settlement, outstanding creditor obligations and the Group's reliance on proposed deferrals, debt-equity arrangements and other funding initiatives, give rise to material uncertainties which may cast significant doubt on the ability of the Group and Company to continue as going concerns.

CLA was unable to obtain sufficient appropriate audit evidence regarding the likelihood of the assumptions underlying Management's cash-flow forecast and, accordingly, was unable to form an opinion as to whether the use of the going-concern basis of accounting in the preparation of the FY2025 financial statements was appropriate.

Notwithstanding CLA's inability to form such an opinion, the Board and Management, having considered the Group's ongoing corporate restructuring exercise, proposed and ongoing fund-raising initiatives, cost-control measures, operational restructuring, initiatives to increase revenues and improve cash generation, proposed debt restructuring and debt-equity arrangements, creditor negotiations and the other measures described in Note 2.1 to the financial statements, remain collectively of the view that the Group and Company are able to continue as going concerns.

In reaching this view, the Board and Management have considered not only the Group's present financial position but also the measures already implemented and the further actions being actively pursued to improve liquidity, reduce cash outflows, restructure liabilities and strengthen operating cash flows.

These measures include, among other things:

(a) the continuing restructuring of the Group's corporate and operational activities;
(b) fund-raising initiatives and the evaluation of additional financing alternatives;
(c) measures to reduce operating and corporate costs;
(d) initiatives to increase revenue and improve cash generation from the Group's operating businesses;
(e) continued negotiations with creditors to restructure or extend payment obligations;
(f) proposed debt-to-equity conversions where commercially and legally appropriate;
(g) the deferment or restructuring of certain existing liabilities;
(h) the structured payment arrangements under the ASTI settlement;
(i) the continued defence of disputed claims where the Board considers that liability should not be admitted; and
(j) continued monitoring and management of the Group's cash-flow requirements.
(k) the letter(s) of support from the Company's creditors

The Board and Management acknowledge that certain of these measures remain subject to future events, commercial negotiations, regulatory or Shareholder approvals and other matters which are not wholly within the Group's control. Accordingly, there can be no assurance that every individual measure will be completed on the terms or within the timeframe presently contemplated.

The Board does not regard the going-concern assessment as requiring certainty that every restructuring, funding, creditor or other measure will be successfully completed. The Board's assessment is made on the basis of the information presently available, Management's cash-flow forecast, existing resources and obligations, the status and probability of the various measures being pursued, and the ability of the Group to take further mitigating actions if particular assumptions are not realised.

The Board acknowledges that a number of the measures remain subject to commercial negotiation, regulatory or Shareholder approval, market conditions or other external factors and subject to acceptable outcomes on negotiations.
Those uncertainties are material and are expressly acknowledged in this Report.

Having considered the measures collectively rather than assuming that any single measure is certain to occur, the Board and Management nevertheless remain of the view that the Group and Company are able to continue as going concerns. This is the Board's and Management's own assessment and does not alter CLA's inability to form an opinion as to whether the use of the going-concern basis of accounting was appropriate.

The Company will continue to assess, in consultation with the Sponsor, whether developments relating to any material restructuring, funding, creditor, litigation or other measure require announcement under the Catalist Rules.

The Board's and Management's going-concern assessment is therefore based on the combined effect of the restructuring, funding, cost-control, revenue-enhancement and liability-management measures, rather than dependence on any single transaction or source of funding.

The Board will continue to monitor the Group's liquidity position, operating cash flows, creditor obligations, fund-raising initiatives and implementation of the restructuring measures and will take further action where necessary.

(e) Financial-Reporting and Internal-Control Risk

Acclime identified deficiencies in budgeting, financial and management reporting, bank reconciliations, payment documentation, treasury controls and implementation of prior recommendations.

Separately, CLA was unable to obtain sufficient appropriate audit evidence concerning opening balances, certain consolidation adjustments and the completeness and accuracy of intercompany balances, transactions and eliminations.

The remediation measures include reconstruction and verification of historical records, entity-by-entity intercompany reconciliations, strengthened monthly closing procedures, preparation and review of consolidation schedules, improved document retention, subsidiary certifications and centralised audit tracking

Implementation of these remediation measures has commenced but, as at the date of this Report, they have not all been fully implemented and their operating effectiveness has not in all cases been independently validated. The Board and ARC therefore do not regard the remediation programme as complete. The measures remain subject to continuing implementation, review of supporting evidence and, where appropriate, independent follow-up testing before the relevant deficiencies are treated as fully remediated or closed.

The Board and ARC are overseeing the implementation of the remedial measures arising from the internal and external audits.

(f) Legal and Regulatory Risk

The Group operates in multiple jurisdictions and is subject to applicable corporate, securities, employment, tax, licensing, data-protection and other legal and regulatory requirements.

Failure to comply with applicable requirements may result in regulatory action, financial penalties, litigation, reputational damage or disruption to the Group’s operations.

The establishment of the Group General Counsel function and the approval of the Group Governance Manual are intended to strengthen legal, regulatory and governance oversight.

(g) Information-Technology and Cybersecurity Risk

The Group relies on information systems, email, accounting systems, data storage and external technology-service providers.

System failures, unauthorised access, cyber incidents, inadequate backup or recovery arrangements, data loss or disruption to technology services may adversely affect operations, financial reporting, regulatory compliance and the Group’s reputation.

Acclime identified deficiencies and scope limitations affecting information-technology governance, access administration, endpoint-device management, backup and other IT general controls. The COO is overseeing implementation of IT access registers, asset registers, backup and recovery procedures, vendor-management arrangements and incident-reporting processes.

The Board and ARC oversee the implementation of improvements to the Group’s information-technology and cybersecurity controls.

(h) Key-Person and Management-Capability Risk

The Group’s ability to execute its restructuring, governance and operational plans depends on its ability to attract, retain and develop suitably qualified Directors, executives and employees.

The Group may face difficulty recruiting and retaining personnel with the required finance, legal, operational, technical and management expertise, particularly where the Group’s present financial position limits its ability to offer fully market-competitive cash remuneration.

The Company has proposed equity-based incentive schemes, subject to Shareholder approval, to assist in attracting, retaining and motivating suitably qualified professionals.

(i) Overseas Operations and Subsidiary Oversight Risk

The Group operates through subsidiaries and associated entities in different jurisdictions.

Differences in regulatory requirements, business practices, local management, financial reporting, record retention and internal-control maturity may affect the Group’s ability to exercise consistent oversight and obtain timely and reliable information.

The Board and Management will continue to strengthen reporting, escalation and control arrangements across the Group.

(j) Interested-Person and Related-Party Transaction Risk

Acclime identified deficiencies in the identification, monitoring, documentation and approval of related-party and interested-person transactions, including the absence during the period reviewed of a complete and consistently maintained central register of interested persons and related parties.

In the course of its internal-controls review, Acclime reviewed the Company's processes for the identification, assessment, approval, documentation and monitoring of related-party transactions ("RPTs") and interested-person transactions ("IPTs"). In Finding #23 of its final report, Acclime identified the following transactions:

Related-party transactions

(a) the loan by Yumei Technology to Yumei REIT Sdn. Bhd.; and
(b) the loan by Pioneer Venture Pte. Ltd. to the Company.

Acclime reported that supporting documentation and evidence of approvals for these intercompany loan transactions were not provided despite multiple follow-ups and, accordingly, it was unable to verify whether the transactions were appropriately supported, documented and approved.

Interested-person transactions

(a) the rental agreement with Innovend Pte. Ltd., in respect of which no evidence of Board approval was provided to Acclime;
(b) the acquisition of Food Steward Pte. Ltd. by Lim Shrimp Organization Limited ("LSO BVI"), in respect of which Acclime reported that no Board approval was obtained; and
(c) a loan balance of S$795,409.84 extended to LSO BVI as at 31 December 2025, comprising S$500,409.84 brought forward from the previous period and S$295,000.00 advanced during FY2025. Acclime reported that no Board approval had been obtained for the loan and that no formal loan agreement or supporting documentation was provided for its review.

In relation to the LSO BVI loan, Acclime further stated that, in the absence of supporting loan documentation, it was unable to determine whether the balance represented a single loan arrangement or multiple transactions requiring aggregation for purposes of Chapter 9 of the Catalist Rules. Acclime regarded the transaction as an IPT on the basis that LSO BVI was associated with Mr. Lim Chen Chong, a Director of the Company.

Acclime concluded that, in light of the deficiencies identified, it was unable to assess whether the relevant RPTs and IPTs were appropriately supported, documented, approved and conducted on arm's-length terms, and whether the transactions complied with the applicable regulatory requirements.

Management has commenced compiling the available agreements, Board and Shareholder approvals, SGXNET announcements, circulars, arm's-length assessments and accounting records relating to the transactions identified by Acclime. The historical transactions for which supporting records remain incomplete will be separately identified and reported to the ARC, and the reconstructed position will be reflected in the Company's RPT/IPT register.

The Company is separately reviewing the regulatory consequences arising from the matters identified by Acclime, including the applicable Chapter 9 thresholds, aggregation requirements and whether any announcement, Shareholder approval, ratification or other remedial action is required. This regulatory review does not alter Acclime's findings but is intended to determine the consequential action required of the Company under the Catalist Rules.

To address this deficiency, the Company is:

(a) establishing a central Group register of interested persons and related parties;
(b) requiring annual and transaction-specific relationship and interest declarations from Directors and relevant officers;
(c) requiring subsidiary General Manager and the person responsible for the finance function of each subsidiary to identify and report proposed and completed related-party transactions;
(d) implementing pre-transaction screening and legal review;
(e) requiring the commercial rationale, transaction value, pricing basis, approvals, abstentions and supporting agreements to be documented;
(f) providing for periodic review of the register and relevant transactions by the ARC; and
(g) maintaining a complete audit trail of the assessment and disclosure of each material transaction.

The register and supporting procedures have already been implemented as of 30 July 2026 and will form part of the 30 September 2026 internal review.

The Group Governance Manual introduces monitoring, approval, escalation and ARC-review requirements for such transactions.

(k) Reputational Risk

The Group's reputation may be affected by financial-reporting issues, regulatory non-compliance, internal-control deficiencies, disputes, litigation, delays in corporate reporting, adverse publicity or failures in governance and stakeholder communication.

The Board and Management seek to manage such risks through strengthened governance, timely escalation, legal and regulatory oversight, internal controls and transparent communication with Shareholders and other stakeholders.

Dealings in the Company's Securities

The Company has adopted an internal compliance code governing dealings in the Company's securities by Directors, officers and employees of the Group (the "internal controls"). The internal compliance code incorporates the requirements of Rule 1204(19) of the Catalist Rules and reminds Directors, officers and employees that the law relating to insider trading applies at all times.

Directors, officers and employees of the Group are prohibited from dealing in the Company's securities while in possession of unpublished material price-sensitive information concerning the Company or the Group.

They are also prohibited from dealing in the Company's securities during the period commencing one month before the announcement of the Company's half-year and full-year financial results and ending on the date of the relevant announcement.

Directors, officers and employees are also discouraged from dealing in the Company's securities on short-term considerations.

Based on the declarations and records available to the current Board, no breach of the Company's internal compliance code relating to dealings in the Company's securities was identified during FY2025. The Board therefore confirms that the Company complied with Rule 1204(19) of the Catalist Rules during FY2025.

Interested Person Transactions ("IPTs")

The Group did not obtain a general mandate from Shareholders for interested person transactions during FY2025.

During FY2025, the Group entered into certain transactions involving persons who were or may be regarded as interested persons within the meaning of Chapter 9 of the Catalist Rules. The Company has reviewed the transactions based on the information and records presently available and has consulted SGX RegCo through the Sponsor on the appropriate treatment of certain transactions and the applicable benchmark, having regard to the Group's negative net tangible asset position.

Details of the interested person transactions identified for FY2025 are set out below.

In view of CLA's disclaimer concerning certain consolidation adjustments and unreconciled intercompany balances and transactions, the Company does not represent that the external audit independently established the completeness of the entire IPT population.

Name of interested person	Nature of relationship	Aggregate value of IPTs during FY2025	Transactions under Rule 920 mandate
Lim Shrimp Organization Limited	50%-owned subsidiary of the Group and an associate of Mr. Lim Chen Chong, a Director and substantial Shareholder, and Ms. Lim Yu Victoria, a substantial Shareholder	S$364,000	Nil
Mr. Lim Chen Chong	Director of the Company and a director and shareholder of Lim Shrimp Organization Limited	S$220,000	Nil
Mr. Lim Wee Beng, Eddie	Senior Advisor of the Company and Lim Shrimp Organization Limited	S$510,000	Nil

The Group did not maintain a complete contemporaneous IPT register during FY2025. Accordingly, the transaction values disclosed above were reconstructed from the general ledger, bank records, agreements, available approvals and information obtained from the relevant persons.

Regulatory review and proposed SGX consultation

As the Group's audited net tangible assets were negative, the Company had considered seeking guidance from SGX RegCo through the Sponsor concerning the appropriate benchmark for assessing the relevant Chapter 9 thresholds and the regulatory treatment of the identified transactions.

The Company is conducting a review and reconstruction of the relevant FY2025 related-party and interested-person transactions, including the transactions identified in Acclime's internal-audit report and transactions involving Mr. Lim Wee Beng, Eddie and his associates following the RC's and Board's determination that Mr. Lim was Key Management Personnel for FY2025.

The review includes verification of the relevant relationships, transaction values, underlying agreements, payments, approvals and the basis on which Chapter 9 may apply.

The earlier proposed consultation paper had not been finalised or submitted. In light of the further matters identified through the FY2025 audit, Acclime's final internal-controls review and the subsequent reconciliation work, the Company will prepare an updated and comprehensive submission for consultation with SGX RegCo through the Sponsor once the relevant transaction population and supporting information have been assembled and independently reviewed.

The proposed consultation will include the findings and scope limitations identified in Acclime's final Internal Controls Review Report in their totality insofar as they are relevant to the regulatory matters under consideration, including the findings relating to the identification, monitoring, support, documentation and approval of RPTs and IPTs and the specific transactions identified by Acclime. The submission will also set out the remediation measures implemented or being implemented by the Company in response to the internal-audit findings, the persons responsible for implementation, the relevant implementation status and any material matters which remain outstanding.

The Company intends for the reconstructed transaction population and regulatory analysis to be reviewed by Acclime or another suitably qualified independent reviewer before the Company treats the review as complete.

Following the consultation and independent review, the Company will determine, with the Sponsor, whether any transaction requires announcement, Shareholder approval, ratification or other remedial action and will update Shareholders accordingly.

The consultation will not seek SGX RegCo's determination as to whether Mr. Lim is KMP, that determination having already been made by the RC and Board. The consultation will instead address the consequential Chapter 9 treatment of the relevant persons and transactions.

In the meantime, the Board has decided to adopt a prudent approach. Subject to the finalisation and verification of the relevant transaction values, relationships and resolutions with the Sponsor and the Company's professional advisers, the Company intends to convene an EGM after the FY2025 AGM to seek Shareholder approval and, where appropriate, ratification in respect of the relevant transactions.

Acclime internal controls review identified deficiencies in the identification, monitoring, documentation and approval of related-party and interested-person transactions.

In response, the Group Governance Manual provides for the maintenance of a register of interested persons and related parties, prior identification and escalation of potentially relevant transactions, review of the applicable approval and disclosure requirements and periodic oversight by the ARC.

Management is also implementing procedures to ensure that supporting documents, relationship declarations, transaction values, approval records and the basis for determining whether Chapter 9 applies are retained for review and audit purposes.

The ARC will continue to review and monitor interested person transactions and related-party transactions and will oversee compliance with the applicable approval, announcement and disclosure requirements under Chapter 9 of the Catalist Rules.

Directors and officers are required to disclose actual, potential or perceived interests in proposed transactions and to abstain from deliberation and decision-making where appropriate.

Principle 10: Audit Committee

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

Composition of the Audit Committee

During FY2025, the Audit Committee ("AC") comprised four members, namely Mr. Chng Hee Kok, as Chairman of the AC, Mr. Chong Man Sui, Mr. Steven Shen Hing and Prof. Ling Chung Yee, all of whom were Non-Executive and Independent Directors.

Following the resignations of Mr. Steven Shen Hing and Mr. Chong Man Sui from the Board on 25 May 2025 and 10 June 2025 respectively, Mr. Lim Chen Chong was appointed as a member of the AC on 20 June 2025.

Mr. Hong Seong Soo was appointed as a member of the AC on 16 December 2025 following the retirement of Prof. Ling Chung Yee from the Board on the same date.

With effect from 15 April 2026, the Board approved the Group Governance Manual and combined the functions of the AC and the Board's risk-oversight function under an Audit and Risk Committee ("ARC").

As at the date of this Report, the ARC comprises:

Director	Board designation	ARC position
Mr. Chng Hee Kok	Non-Executive Chairman and Independent Director	Chairman
Mr. Hong Seong Soo	Independent Director	Member
Mr. Lim Chen Chong	Non-Executive and Non-Independent Director	Member

A majority of the members of the ARC, including its Chairman, are Independent Directors.

References in this section to the “AC” relate to the committee as constituted during FY2025. References to the “ARC” relate to the committee following the adoption of the Group Governance Manual on 15 April 2026.

The members of the AC and ARC collectively possess accounting, financial, business and managerial experience relevant to the discharge of the committee’s responsibilities. The Board is of the view that the members have recent and relevant accounting or related financial-management expertise and experience.

No member of the AC or ARC is a former partner or director of the Company’s existing external audit firm.

Authority and resources

The AC operated during FY2025 under written terms of reference approved by the Board. Following the adoption of the Group Governance Manual, the ARC operates under the ARC Charter contained in that Manual.

The AC and ARC are authorised to investigate any matter within their respective terms of reference and may obtain independent professional advice where necessary.

The AC and ARC have access to the Directors, Management, the Company Secretary, the internal auditor and the external auditor. They may invite any Director, executive officer, employee or professional adviser to attend their meetings where appropriate.

The AC and ARC are provided with the resources reasonably necessary to discharge their duties objectively and effectively.

Acclime encountered limitations in obtaining certain records and supporting evidence during its internal-controls review, particularly in relation to certain information-technology general-control domains. Those limitations are addressed under Principle 9 of this Report and have been taken into account by the Board and ARC in assessing the Group’s control environment.

Meetings with the auditors

During FY2025, the AC met with the external auditor and internal auditor, without the presence of Management, to discuss matters relating to their respective audits, including:

- the conduct and scope of the audit work;
- significant audit findings and observations;
- the adequacy of information and assistance provided by Management;
- any limitations encountered during the audit;
- material internal-control matters; and
- any other matter which the auditors considered should be brought to the attention of the AC.

The ARC will continue to meet separately with the internal and external auditors, without the presence of Management, at least annually and whenever the ARC considers such meetings necessary.

Responsibilities of the AC and ARC

The principal responsibilities of the AC during FY2025, and of the ARC following its establishment, include:

- reviewing the scope, approach and results of the external audit;
- reviewing the external auditor’s audit plan, reports, findings and recommendations;
- reviewing the significant financial-reporting issues and judgements affecting the integrity of the Group’s financial statements;
- reviewing the Company’s half-year and full-year financial results announcements before their submission to the Board;
- reviewing the adequacy and effectiveness of the Group’s financial, operational, compliance and information-technology controls and risk-management systems;
- reviewing the scope, results, independence, effectiveness and resources of the internal-audit function;
- reviewing significant internal-audit findings, Management’s responses and the implementation status of the agreed remedial measures;
- reviewing the cooperation and assistance provided by Management to the internal and external auditors;
- reviewing assurances from the Executive Directors and relevant members of Management concerning the financial records, financial statements, risk-management systems and internal controls;
- reviewing interested-person and related-party transactions;
- reviewing the Company’s whistle-blowing arrangements;

- reviewing the policy and arrangements under which concerns about possible improprieties in financial reporting or other matters may be safely raised, independently investigated and appropriately followed up, and ensuring that the identity of the person raising the concern is protected to the extent reasonably practicable;
- reviewing material legal, regulatory, technology, cybersecurity and operational risks;
- making recommendations to the Board on the appointment, reappointment, removal and remuneration of the external auditor;
- approving the appointment, removal, evaluation, scope and fees of the internal auditor;
- reviewing the independence and objectivity of the external auditor, including the nature and extent of any non-audit services; and
- reporting its deliberations, decisions and recommendations to the Board.

A member of the AC or ARC is required to disclose any actual, potential or perceived conflict of interest and to abstain from deliberation and decision-making in respect of the relevant matter.

Financial reporting

During FY2025, the AC reviewed the Company’s financial results announcements and the Group’s financial statements before recommending them to the Board for approval.

In carrying out its review, the AC considered, among other matters:

- the accounting principles and policies applied;
- significant accounting estimates and judgements made by Management;
- the adequacy and availability of supporting records;
- the Group consolidation process;
- material audit adjustments and unadjusted differences;
- the external auditor’s findings and recommendations;
- the basis for the external auditor’s audit opinion;
- the appropriateness of the going-concern basis of preparation; and
- the adequacy of the disclosures contained in the financial statements and Annual Report.

CLA issued a disclaimer of opinion on the Group's FY2025 consolidated financial statements because it was unable to obtain sufficient appropriate audit evidence concerning, among other matters, the Group's opening balances and corresponding figures, certain FY2025 consolidation adjustments, unreconciled intercompany balances and transactions, the completeness and accuracy of related eliminations and the assumptions supporting the Group's going-concern assessment.

CLA also did not express an opinion on whether the accounting and other records required under the Companies Act 1967 had been properly kept.

The Board, ARC and Management are addressing the matters underlying the disclaimer through a coordinated financial-reporting and remediation programme which includes:

- continuing retrieval and reconstruction of historical accounting records and supporting documents;
- obtaining information and confirmations from subsidiaries, banks, counterparties, former officers and professional advisers;
- entity-by-entity reconciliation of intercompany balances and transactions;
- preparation and review of supporting schedules for consolidation adjustments and elimination entries;
- reconciliation and substantiation of material balance-sheet accounts;
- strengthening the Group's monthly closing and consolidation procedures;
- maintaining a central audit-outstanding tracker with assigned responsibility and target dates;
- requiring subsidiary General Managers and Finance Heads to provide supporting information and certifications;
- centralising record retention and audit evidence; and
- escalating material unresolved matters to the ARC and Board.

The Board recognises that these measures do not retrospectively remove or alter CLA's disclaimer of opinion for FY2025. They are intended to address the underlying deficiencies, resolve historical matters where reasonably practicable and reduce the risk of recurrence in subsequent reporting periods.

The Board recognises that implementation of these measures does not establish that the matters underlying CLA's disclaimer have been resolved. Certain historical audit-evidence limitations may not be capable of retrospective cure. The measures are intended to address the underlying process and control deficiencies, support resolution of historical matters where reasonably practicable and reduce the risk of recurrence in future reporting periods.

Assurances from Management

In connection with the financial statements for FY2025, the AC and Board obtained or will obtain appropriate assurances from the Executive Directors and the members of Management responsible for the relevant functions.

The assurances address, among other matters:

- the proper maintenance of the Group's financial records;
- the completeness and accuracy of information provided for the preparation of the financial statements;
- the completeness of information provided to the internal and external auditors;
- the identification and escalation of material risks;
- compliance with approved authority limits;
- the disclosure of material liabilities, commitments, disputes and related-party transactions; and
- the status of material internal-control findings and remedial measures.

The Board and ARC consider such assurances together with the work and observations of the internal and external auditors. They do not rely solely on Management representations in assessing the integrity of the financial statements or the adequacy of the Group's controls.

External audit processes

During FY2025, the Company's external auditor was CLA Global TS Public Accounting Corporation ("CLA").

Forvis Mazars LLP resigned as the Company's external auditor with effect from 16 January 2025.

At the extraordinary general meeting of the Company held on 11 April 2025, Shareholders approved the appointment of CLA as the Company's external auditor in place of Forvis Mazars LLP, to hold office until the conclusion of the next annual general meeting and at such remuneration and on such terms as may be agreed between the Directors and CLA.

At the Company's annual general meeting for FY2024 held on 16 December 2025, Shareholders approved the reappointment of CLA as the Company's external auditor for FY2025.

CLA provided the AC with updates on changes in accounting standards, corporate-governance requirements and other relevant regulatory developments which might have a direct impact on the Group's financial statements.

The AC met with CLA without the presence of Management to discuss the conduct and results of the audit and any matter which CLA considered should be brought to the attention of the AC.

Independence and evaluation of the external auditor

The AC reviewed the independence and objectivity of CLA and considered:

- the adequacy of the audit firm's resources;
- the qualifications, experience and availability of the audit partner and audit team;
- the number and experience of supervisory and professional staff assigned to the audit;
- the size and complexity of the Group;
- the audit firm's other engagements;
- the quality and timeliness of the audit work and communications;
- the nature and extent of any non-audit services;
- the external auditor's understanding of the Group's businesses and risks; and
- the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority.

CLA is registered with the Accounting and Corporate Regulatory Authority and approved under the Accountants Act 2004 of Singapore. The engagement director assigned to the audit is a registered public accountant under the Accountants Act 2004 of Singapore.

Having considered the above matters, the AC is satisfied that CLA has the appropriate resources and experience to perform the audit of the Group and that CLA has maintained its independence and objectivity.

The Company has complied with Rules 712, 715, 717 and 718 of the Catalist Rules in relation to the appointment of the external auditors of the Company and its subsidiaries.

Audit and non-audit fees

As disclosed in Note 8 to the financial statements of the Group for FY2025, the aggregate amount of audit fees paid or payable to CLA and the auditors of the Company's subsidiaries in Malaysia for FY2025 was approximately S$182,000.

No non-audit services were rendered to the Group during FY2025 by CLA or the auditors of the Company's subsidiaries in Malaysia. Accordingly, no non-audit fees were paid or payable to those auditors for FY2025.

Having regard to the absence of non-audit services, the AC is satisfied that the independence and objectivity of the external auditors were not impaired.

Audit Status of LSO entities

The Company's wholly owned subsidiary, LSO Organization Holdings Pte. Ltd. has completed the statutory audit for FY2025 as at the date of this report. The statutory audit of Lim Shrimp Organization Limited for the financial year ended 31 December 2025 is still in progress. as at the date of this Report.

In considering the financial information of these entities for inclusion in the Group's consolidated financial statements, the Directors considered the management accounts, underlying accounting records and supporting documents made available to the Company and the external auditor, together with the audit procedures performed by the Group's external auditor for consolidation purposes.

The Directors also considered the explanations and representations provided by the persons responsible for the financial affairs of the LSO entities and the consistency of the reported balances with the Group's accounting and consolidation records.

On that basis, and subject to the matters disclosed in the financial statements and the Independent Auditor's Report, the Directors considered that the available financial information was an appropriate basis for its inclusion in the Group's consolidated financial statements.

Internal controls

During FY2025, the AC reviewed and assessed the Group's internal controls and regulatory compliance through discussions with Management and the external auditor.

The AC considered and reviewed with Management:

- the internal-audit plan and whether it provided sufficient coverage of the material controls and risks of the Group;
- significant internal-audit observations;
- Management's responses to the findings;
- the persons responsible for implementation;
- the target dates for remediation; and
- the status of prior-year findings.

The Company appointed Acclime Risk Advisory Pte. Ltd. (Acclime") on 6 March 2026 to conduct an internal-controls review principally covering FY2025.

Acclime's review covered:

- high-level governance and the control environment;
- revenue and receivables management;
- procurement and payables management;
- treasury management;
- information-technology general controls;
- interested-person transactions;
- sustainability reporting; and
- follow-up of FY2024 findings relating to Pioneer Venture Pte. Ltd.

Acclime identified findings relating to governance documentation, related-party and interested-person transactions, budgeting, procurement and payables, treasury, information-technology controls, sustainability reporting and the implementation of earlier internal-audit recommendations.

The findings, scope limitations, Management's responses and the Board and ARC's assessment are addressed under Principle 9 of this Report and are not repeated in full here

Management has agreed to implement corrective actions to address the identified deficiencies. The Board has designated the COO and the Group General Counsel to be jointly responsible for overseeing the overall implementation of the remediation initiative.

At subsidiary level, the General Manager and Finance Head of each subsidiary are responsible for local implementation, supporting evidence and fortnightly progress reporting to the COO and Group General Counsel.

The ARC will monitor the status of implementation. An internal-audit finding will not be treated as closed merely because Management has accepted the recommendation or assigned a target completion date. Closure will require sufficient evidence that the relevant measure has been implemented and, where appropriate, that the control is operating effectively.

The follow-up review of Pioneer Venture Pte. Ltd. found that approximately 16% of the recommendations from the November 2024 internal-controls review had been implemented. Two recommendations were partially implemented, two were not implemented and one was no longer applicable.

Accordingly, not all past or current internal-audit findings and recommendations had been fully implemented as at the date of Acclime's review.

The ARC considers the outstanding findings to be matters requiring continuing Management attention and formal monitoring. The ARC will require evidence of completion and, where appropriate, independent validation before treating material findings as closed.

Board's concurrence with the ARC

The Board has considered the ARC's assessment of the Group's internal controls and risk-management systems.

For the reasons set out under Principle 9, including the number and significance of the internal-control findings, the limitations affecting certain information-technology procedures, the incomplete implementation of prior-year recommendations and the ongoing status of a number of remedial measures, the Board concurs with the ARC that it would not be appropriate to provide an unqualified statement that the Group's internal controls and risk-management systems were adequate and effective throughout FY2025.

The Board and ARC will reassess the position after the material remedial measures have been implemented, supported by appropriate evidence and, where necessary, independently tested.

The Board recognises that no system of internal controls or risk management can provide absolute assurance against material misstatement, loss, fraud, error, poor judgement or non-compliance. Such systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can provide only reasonable, and not absolute, assurance.

Whistle-blowing policy

The Company has a whistle-blowing policy which provides channels through which employees and other persons may raise concerns about suspected misconduct, impropriety, fraud, financial-reporting irregularities, breaches of internal controls or other wrongdoing within the Group.

The policy and the procedures for raising concerns are made available to employees. Concerns may be raised anonymously or otherwise directly with the Chairman of the ARC.

The identity of a person raising a concern is kept confidential to the fullest extent reasonably practicable and permitted by law. The Company is committed to protecting persons who raise concerns in good faith from detrimental or unfair treatment.

The Chairman of the ARC has direct oversight of the administration of the whistle-blowing policy. The ARC reviews the adequacy of both the whistle-blowing policy and the processes for receiving, recording, assessing, investigating and following up concerns.

No report was recorded as having been submitted through the Company's formal whistle-blowing channels during FY2025.

The Board does not regard the absence of a report submitted through the formal whistle-blowing channel as evidence that the whistle-blowing arrangements were fully effective during FY2025.

The representations and allegations made by the former CEO through other channels highlighted the need for material concerns, regardless of the channel through which they are raised, to be formally recorded, assessed, escalated and followed up under a consistent process.

The Board has therefore directed that:

- material allegations of misconduct, financial impropriety or control failures raised through any channel be recorded in a central concerns register;
- material concerns be notified to the ARC Chairman;
- a conflict and independence assessment be performed before an investigator is appointed;
- investigation steps, evidence, findings and follow-up measures be appropriately documented;
- persons raising concerns in good faith be protected from retaliation to the extent reasonably practicable; and
- the ARC receive periodic reports on material concerns and the status and outcome of investigations.

Internal audit

For FY2025, the internal-audit function was outsourced to Acclime.

Acclime’s engagement team comprised an Engagement Manager, Senior Associate and Associates and was led by an Engagement Partner with approximately 20 years of relevant experience.

The primary reporting line of the internal auditor is to the ARC. The ARC approves the appointment, scope, fees, evaluation and removal of the internal auditor.

The internal auditor is authorised to obtain access to the Group’s records, personnel and premises as reasonably required for the agreed scope of work and has direct access to the ARC.

Where requested information or supporting documents are not made available, the internal auditor is required to report the limitation to the ARC. The limitations encountered during Crowe Singapore’s review are disclosed under Principle 9.

The internal auditor assists the ARC in assessing the adequacy and effectiveness of the Group’s material internal controls and assists Management in identifying operational and business risks and in developing appropriate remedial measures.
The ARC reviews the effectiveness of the internal-audit function annually, having regard to:

- the scope and quality of the internal-audit work;
- the qualifications and experience of the engagement team;
- the adequacy of the resources allocated;
- the quality and timeliness of the reports;
- the reporting structure within the Group;
- the internal auditor’s access to the ARC;
- the independence and objectivity of the internal auditor;
- the cooperation provided by Management; and
- the status of the internal auditor’s recommendations.

Acclime carries out its internal-audit function having regard to the standards issued by nationally or internationally recognised professional bodies, including the professional standards issued by The Institute of Internal Auditors.

The ARC is satisfied that Acclime is independent of the activities it reviewed, is appropriately qualified and resourced to perform the agreed scope of work and has appropriate standing within the Group.

In reaching this conclusion, the ARC has taken into account the limitations encountered during the review and the consequential limitations on Acclime ’s ability to perform procedures in certain areas.

In assessing the measures which remain subject to third-party, regulatory or Shareholder approval, the Board has considered the actual stage reached in respect of each measure, including whether documentation has been agreed or executed, whether the relevant application or submission has been made, the outstanding conditions, the approvals still required and the expected next procedural step.

The Board does not treat a measure which remains subject to SGX-ST, Sponsor, Shareholder, creditor, counterparty or other approval as completed or unconditional. Management is required to report material changes in the status of each such measure to the Board and to update the cash-flow assessment where a material assumption ceases to be reasonably supportable.

Going Concern

The Board and Management have reviewed the ability of the Group and Company to continue as going concerns, taking into account their present financial position, projected cash flows, outstanding liabilities, ongoing corporate restructuring, fund-raising initiatives, cost-control measures, revenue-enhancement initiatives, debt restructuring and other measures being pursued.

For FY2025, the Group incurred a net loss of approximately S$5.550 million and generated a net operating cash outflow of approximately S$0.189 million. As at 31 December 2025, the Group had net current liabilities of approximately S$8.162 million and net liabilities of approximately S$6.603 million, while the Company had net liabilities of approximately S$9.20 million.

Notwithstanding the above, the Board's views and justifications supporting the Company’s going concern status are anchored on several key operational and financial assumptions, strategic measures, and active debt-management steps, that include:

- sales projections from the Group’s operating subsidiaries;
- asset disposals and major transactions such as the implementation of planned major corporate moves designed to streamline operations and inject liquidity—such as the proposed disposal of the LSO Group;
- corporate and capital restructuring, eg. the execution of debt-to-equity arrangements, debt settlement agreements, and other capital-strengthening exercises to clean up the balance sheet;

- debt stays and settlement agreements with note holders and creditors such as ASTI Holdings Limited, etc,
- active management of claims to mitigate immediate liquidity shocks, eg. from the statutory demand received from Zico Capital Pte. Ltd.
- rebuilding records by the management and external professionals to reconstruct financial records and fulfill documentation requests, and
- internal audits and new hires to stabilize corporate governance and ensure transparent reporting going forward, among other measures.

In preparing the FY2025 financial statements on a going-concern basis, the Board considered Management's cash-flow forecast and the assumptions and measures described in Note 2.1 to the financial statements. These include:

- the deferment of approximately S$4.090 million of purchase consideration relating to the acquisition of the LSO Group beyond the relevant 12-month period;
- Management's proposed 24-month deferment of the outstanding shareholder loan of approximately S$1.715 million;
- the conditional debt-equity swap with Advance Opportunities Fund I in respect of S$2.000 million of debt, subject to the applicable conditions, including Shareholder approval;
- the Company's contest of the ZICO statutory demand/counterclaim and the treatment of the disputed amount in Management's cash-flow forecast; and
- the structured payment obligations under the S$6.000 million ASTI settlement.

ZICO Capital dispute and treatment in Management's cash-flow forecast

To elaborate further, as disclosed in Note 32(c) to the FY2025 financial statements, the Company disputes the validity of the claim made by ZICO Capital Pte. Ltd. ("ZICAP") under the statutory demand. The statutory demand, received on 1 July 2026, was for S$643,534, including interest, in respect of amounts allegedly due for continuing sponsorship services and financial-advisory services provided in connection with the Company's acquisition of the LSO Group.

The Company has commenced proceedings against ZICAP in the General Division of the High Court of the Republic of Singapore under HC/OC 642/2026, seeking damages of approximately S$6.79 million, together with interest, arising from alleged breaches of duty by ZICAP in its capacities as the Company's continuing sponsor and financial adviser. The Company has also applied for an interim injunction to restrain ZICAP from commencing winding-up proceedings against the Company based on the statutory demand. The ultimate outcome of those proceedings cannot presently be determined with certainty.

Having regard to the Company's contest of the statutory demand, Management's 12-month cash-flow projection does not forecast a cash outflow for the full S$643,534 claimed by ZICAP. This is expressly one of the assumptions underlying Management's going-concern assessment as disclosed in Note 2.1 to the FY2025 financial statements.

The Board recognises, however, that the Company's challenge to the statutory demand and its claims against ZICAP do not eliminate the uncertainty associated with the matter. CLA was unable to obtain sufficient appropriate audit evidence regarding the likely outcome of the ZICAP claim and its potential impact on the Group's and Company's ability to continue as going concerns and was also unable to obtain sufficient appropriate audit evidence concerning the outcome of the ZICAP claim as one of the key assumptions underlying Management's going-concern assessment.

Accordingly, the Board has considered the ZICAP matter as a material uncertainty in its overall going-concern assessment. If the outcome of the proceedings results in the Company being required to make a material payment which has not been reflected in Management's cash-flow projection, the Company's liquidity position and cash-flow forecast would require reassessment.

Proposed disposal of the LSO business and receipt of SMKM shares

Separately from the assumptions relied upon by CLA for purposes of its audit assessment, the Board and Management have also taken into account, as part of their broader corporate and business evaluation, the proposed disposal of the Group’s interest in the LSO business and the proposed receipt of approximately S$13.0 million in value of shares in SMKM as consideration for the transaction.

The Board and Management recognise that CLA did not accept the proposed receipt and realisation of the SMKM shares as a sufficiently supportable assumption for purposes of CLA’s assessment of the Group’s going-concern basis.

In assessing these matters, the Board and Management have also considered the issues raised in the Company’s responses to SGX RegCo’s queries dated 12 August 2026, including the extent to which the principal liquidity and restructuring measures remain conditional, the approvals or negotiations which remain outstanding, the actual stage reached in respect of each material measure and the risk that one or more measures may not be completed on the terms or within the timeframe presently contemplated.

Accordingly, the Board does not treat any proposed funding, restructuring, creditor, disposal or debt-equity measure as completed or unconditional where material documentation, approvals, negotiations or other conditions remain outstanding.

The Board and Management have nevertheless formed their own commercial assessment of the proposed transaction and consider that it remains an important component of the Group's ongoing corporate restructuring and asset-realisation strategy.

In forming that view, the Board and Management have considered the commercial rationale for the proposed disposal, the anticipated consideration, the potential strategic and financial benefits to the Group and the opportunity to convert the Group's investment in the LSO business into an asset which may, subject to market and regulatory conditions, be capable of being progressively realised.

The Board and Management acknowledge that completion of the proposed transaction remains subject to conditions and uncertainties, including the completion of the necessary financial and transaction documentation, applicable regulatory approvals, approval of the relevant transaction documents and such other conditions as may be required.

The Board and Management also recognise that the proposed consideration will be received in the form of SMKM shares rather than cash and that the timing and amount of any subsequent realisation of those shares may be affected by:

- prevailing market prices;
- trading volumes and liquidity in SMKM shares;
- market conditions generally;
- any applicable moratorium, lock-up or disposal restrictions;
- regulatory requirements;
- foreign-exchange movements; and
- the timing and manner in which the Company elects to dispose of the shares.

Accordingly, the Board and Management do not assume that the entire approximately S$13.0 million value of SMKM shares will necessarily be capable of being converted immediately into cash at the stated value.

Nevertheless, the Board and Management consider that the proposed transaction and the resulting SMKM shareholding, if completed, would constitute a material asset of the Group and could provide an additional source of liquidity and financial flexibility through an orderly and commercially appropriate realisation strategy.

The proposed SMKM transaction therefore forms part of the Board's and Management's broader assessment of the Group's corporate restructuring, asset realisation, liquidity management and future business prospects, notwithstanding that CLA did not rely upon the transaction as part of its own audit assessment of going concern.

The Board and Management have also considered the broader measures being undertaken or pursued by the Group, including:

- the ongoing corporate restructuring exercise;
- existing and proposed fund-raising initiatives and evaluation of additional financing alternatives;
- measures to reduce corporate and operating expenditure and preserve cash;
- initiatives to increase revenue and improve operating cash generation;
- negotiations with creditors concerning extensions, restructurings and staggered payment arrangements;
- proposed debt-to-equity conversions where commercially and legally appropriate;
- continued management and defence of disputed liabilities and claims; and
- active monitoring of short- and medium-term cash requirements.

CLA concluded that the events and conditions described in its Independent Auditor's Report indicate the existence of material uncertainties which may cast significant doubt on the ability of the Group and Company to continue as going concerns.

CLA was unable to obtain sufficient appropriate audit evidence concerning the likelihood of the outcome of the assumptions and measures underlying Management's cash-flow forecast and was therefore unable to form an opinion as to whether the use of the going-concern basis of accounting was appropriate.

Notwithstanding CLA's inability to form such an opinion, the Board and Management, having considered the matters described above collectively, remain of the view that the Group and Company are able to continue as going concerns.

In reaching their overall assessment, the Board and Management have considered both the assumptions described in Note 2.1 and the broader corporate and business measures being undertaken by the Group, including the proposed LSO disposal and receipt of SMKM shares, the ongoing corporate restructuring exercise, fund-raising initiatives, cost-control measures, initiatives to increase revenue and operating cash flows, creditor negotiations, proposed debt-to-equity conversions and other liability-management measures.

Notwithstanding CLA's inability to form an opinion on the appropriateness of the going-concern basis and CLA's decision not to rely on the proposed SMKM transaction as part of its audit assessment, the Board and Management remain collectively of the view that the Group and Company are able to continue as going concerns.

This represents the Board's and Management's independent corporate and commercial assessment based on the information presently available to them and the combined effect of the measures being pursued. It should not be understood as attributing to CLA any conclusion which CLA has not expressed.

External audit processes

Disclaimer of Opinion

CLA issued a disclaimer of opinion on the Group's FY2025 consolidated financial statements.

The disclaimer arose principally because CLA was unable to obtain sufficient appropriate audit evidence concerning:

- the Group's opening balances as at 1 January 2025 and corresponding figures;
- certain FY2025 consolidation adjustments;
- the reconciliation of intercompany balances and transactions;
- the completeness and accuracy of related intercompany eliminations;
- the potential consequential effects on the Group's assets, liabilities, income, expenses, cash flows, equity and related disclosures; and
- the likelihood of the assumptions supporting the use of the going-concern basis of accounting.

CLA was consequently unable to express an opinion on the Group's FY2025 consolidated financial statements.

CLA was also unable to express an opinion on whether the accounting and other records required under the Companies Act 1967 had been properly kept. The Board is not in a position to state without qualification that all accounting and other records required for purposes of the FY2025 audit were complete, properly maintained and available.

CLA was unable to obtain sufficient appropriate audit evidence concerning, among other matters, the Group's opening balances, certain consolidation adjustments and the completeness and accuracy of intercompany balances, transactions and related eliminations. In light of the significance of the matters forming the bases of its disclaimer, CLA did not express an opinion on whether the accounting and other records required under the Companies Act 1967 had been properly kept.

In assessing the records available for preparation of the FY2025 financial statements, the Board considered the accounting records and supporting documents retrieved by current Management, reconstructed schedules, bank and third-party confirmations, information obtained from subsidiaries, Management representations and the work and findings of the internal and external auditors.

These procedures did not eliminate the limitations identified by CLA.

The Company is strengthening its record-retention, monthly reporting, reconciliation, consolidation and audit-coordination processes, including the central retention of supporting documents and defined reporting and reconciliation responsibilities at Group and subsidiary levels.

The Board and ARC have considered the bases for the disclaimer. Management has been directed to continue the historical record-retrieval, reconciliation, consolidation and internal-control remediation work notwithstanding completion of the FY2025 audit.

In relation specifically to going concern, the Board and Management do not regard CLA's inability to form an opinion as constituting a conclusion by CLA that the Group or Company cannot continue as going concerns. As set out above, the Board and Management have independently assessed the matter and remain of the view that the Group and Company are able to continue as going concerns.

Internal controls

The ARC has considered:

- the findings identified by Acclime;
- the limitations affecting certain areas of Acclime's review;
- the incomplete implementation of prior-year internal-audit recommendations;
- the matters giving rise to CLA's disclaimer of opinion;
- the deficiencies affecting opening balances, consolidation adjustments, intercompany reconciliations and eliminations;
- the state of the Group's historical records;
- Management's responses to the findings; and

- the remediation programme now being implemented.

The Board and ARC recognise that Management’s acceptance of recommendations and the assignment of target implementation dates do not, by themselves, establish that the relevant controls have been implemented or are operating effectively.

A material finding will be regarded as closed only when sufficient evidence of implementation has been produced and, where appropriate, the operating effectiveness of the relevant control has been independently tested.

Having regard to the matters identified by Acclime and CLA, the Board concurs with the ARC that the Group’s risk-management and internal-control systems, including its financial, operational, compliance and information-technology controls, cannot be assessed as adequate and effective throughout FY2025.

The Board and ARC will reassess the position after the material remediation measures have been implemented and independently reviewed.

The detailed findings arising from Acclime’s FY2025 internal-controls review, the scope limitations encountered, the principal remediation measures implemented or being implemented, the implementation status and the Board’s and ARC’s assessment of those matters are set out under Principle 9 – “Risk Management and Internal Controls”, in the subsection headed “Internal Controls Review”. That disclosure should be read together with this Principle 10 section.

Any subsequent improvement in the control environment will not retrospectively alter CLA’s disclaimer of opinion on the FY2025 financial statements.

The Company will also make a separate SGXNET announcement summarising the material findings and scope limitations arising from Acclime’s internal-controls review, together with the principal remediation measures and their implementation status, following Board approval and Sponsor review.

SHAREHOLDERS' RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

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

Principle 12: Engagement with Shareholders

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

The Company is committed to maintaining regular, effective and fair communication with its Shareholders and to providing Shareholders with timely access to material information concerning the Group’s performance, financial position, operations and prospects.

Material information is disseminated to Shareholders and the investing public through announcements released on SGXNET. Financial results, annual reports, circulars, notices of general meetings and other material corporate information are also made available on the Company’s corporate website at www.asa.com.sg

The Company seeks to ensure that material information is disclosed on a timely and non-selective basis. Where material information is inadvertently disclosed to a limited group, the Company will, as soon as practicable, disclose the same information publicly through SGXNET.

Communication with Shareholders

The Company maintains an investor-relations framework under which Shareholders, investors, analysts and other stakeholders may communicate their views and enquiries to the Company.

Shareholders may submit questions or requests for information through the contact details published on the Company’s corporate website, its SGXNET announcements and the notices of general meetings. Such communications are referred to the appropriate members of the Board or Management for consideration and response.

The Company may also engage with Shareholders, investors, analysts and the media through meetings, briefings, telephone conferences or other appropriate channels. Any presentation material containing material information will be released through SGXNET before or at the same time as it is presented.

Where material questions and answers, clarifications or information arise from a meeting or briefing which have not previously been publicly disclosed, the Company will make an appropriate announcement through SGXNET as soon as practicable.

The Company's engagement with Shareholders is subject at all times to the requirements of the Catalist Rules relating to the disclosure of material information and the prohibition against selective disclosure.

General Meetings

Shareholders are informed of general meetings through notices released on SGXNET and made available on the Company's corporate website. The Annual Report, circulars, proxy forms and other documents relevant to the resolutions to be considered are made available sufficiently in advance to enable Shareholders to review the matters to be considered and make informed voting decisions.

Where a proposed transaction or resolution is complex, or where the Board considers that Shareholders may reasonably require additional time to review the relevant information, the Company will consider providing a longer notice period than the minimum period prescribed by law and the Catalist Rules.

Shareholders are encouraged to submit questions in advance of general meetings. The Company will endeavour to address substantial and relevant questions before or during the meeting and will publish its responses where required by the applicable rules.

Shareholders attending general meetings are given an opportunity to ask questions, express their views and seek clarification from the Board and Management on matters relating to the resolutions and the affairs of the Company.

The Directors, members of Management and, where relevant, the external auditor and professional advisers attend general meetings to address questions falling within their respective areas of responsibility. The external auditor is available at the AGM to address questions concerning the conduct of the audit and the preparation and contents of the auditor's report.

The Company records the minutes of its general meetings, including substantial and relevant comments or questions from Shareholders and the responses of the Board and Management. The minutes are published on SGXNET and the Company's corporate website within one month after the relevant meeting.

All resolutions at general meetings are put to vote by poll. The Company appoints an independent scrutineer to verify the votes cast and announces the detailed voting results, including the number and percentage of votes cast for and against each resolution, through SGXNET after the meeting.

The Company presents each substantially separate issue as a separate resolution at general meetings and avoids bundling unrelated matters into a single resolution.

Where resolutions are interdependent and it is appropriate that they be considered together, the notice of meeting and accompanying documents will explain the reasons for linking the resolutions and the implications if one or more of the resolutions is not approved.

Appointment of Proxies

A Shareholder may appoint up to two proxies to attend, speak and vote at a general meeting on his or her behalf in accordance with the Company's Constitution.

A Shareholder, who is a relevant intermediary, may appoint more than two proxies to attend, speak and vote at a general meeting. This enables investors holding shares through relevant intermediaries, including certain custodians and nominee companies, to participate in general meetings.

Investors who hold shares through the Central Provident Fund Investment Scheme or Supplementary Retirement Scheme should contact their relevant agent bank or nominee within the applicable timeframe if they wish to appoint the Chairman of the meeting as proxy or otherwise exercise their voting rights.

The Company has not amended its Constitution to provide generally for voting by mail, electronic mail or other absentia voting methods. Shareholders who are unable to attend may nevertheless exercise their voting rights by appointing a proxy in accordance with the Company's Constitution and the applicable meeting arrangements.

The Board will continue to consider whether additional absentia or electronic voting arrangements are appropriate, having regard to applicable legal and regulatory requirements, the reliability and security of the relevant technology and the need to authenticate Shareholders' identities and protect the integrity of the voting process.

Delay in Holding the FY2025 AGM

On 23 March 2026, the Company announced that it had applied to SGX RegCo for an extension of time to issue its FY2025 Annual Report and hold its FY2025 AGM. On 3 April 2026, the Company was informed that SGX RegCo had rejected the application, and the rejection was announced on 5 April 2026. These matters were subsequently referred to in the Company's announcement dated 16 June 2026

The delay arose principally from the additional time required to complete the FY2025 audit and address matters arising from the disclaimer of opinion contained in the external auditor's report for FY2024. The Company's 16 June 2026 announcement stated that further time was required both to address the bases for the FY2024 disclaimer and for the external auditor to finalise the FY2025 audited financial statements and Annual Report

The audit process was also affected by difficulties in retrieving historical accounting records, agreements, supporting documents and other evidence relating to transactions undertaken before the appointment of the current Board and Management. The current Board and Management have had to reconstruct certain records, reconcile information obtained from different sources and respond to historical matters with the assistance of the relevant subsidiaries, counterparties and professional advisers.

The Board is not in a position to state without qualification that all accounting and other records required for purposes of the FY2025 audit were complete, properly maintained and available.

CLA was unable to obtain sufficient appropriate audit evidence concerning, among other matters, the Group's opening balances, certain consolidation adjustments and the completeness and accuracy of intercompany balances, transactions and related eliminations. In light of the significance of the matters forming the bases of its disclaimer, CLA did not express an opinion on whether the accounting and other records required under the Companies Act 1967 had been properly kept.

In assessing the records available for preparation of the FY2025 financial statements, the Board considered the accounting records and supporting documents retrieved by current Management, reconstructed schedules, bank and third-party confirmations, information obtained from subsidiaries, Management representations and the work and findings of the internal and external auditors.

These procedures did not eliminate the limitations identified by CLA.

The Company is strengthening its record-retention, monthly reporting, reconciliation, consolidation and audit-coordination processes, including the central retention of supporting documents and defined reporting and reconciliation responsibilities at Group and subsidiary levels.

The Board is not in a position to state without qualification that all accounting and other records required for purposes of the FY2025 audit were complete, properly maintained and available. CLA was unable to obtain sufficient appropriate audit evidence in respect of the matters described in its report and did not express an opinion on whether the accounting and other records required under the Companies Act 1967 had been properly kept.

The Board recognises that these circumstances do not remove the Company's obligation to comply with the applicable financial-reporting and AGM timelines. The Board nevertheless considers it important that the audited financial statements and Annual Report are prepared on the basis of information and supporting evidence which are as complete and reliable as reasonably possible, rather than finalising them before material audit queries have been properly addressed.

Following the rejection of the extension application, the Company continued working with the external auditor, the Sponsor and its professional advisers to complete the audit and convene the AGM as soon as practicable.

On 16 June 2026, the Company informed Shareholders that it then intended to hold the FY2025 AGM on or before 15 July 2026 and explained the principal reasons for the revised timeline.

The Company was subsequently unable to meet that revised timeline because material audit queries and supporting-document requirements remained outstanding. In its further public update in July 2026, the Company explained the continuing audit work, the difficulties caused by the absence of a proper handover from the previous finance personnel and the steps taken to reconstruct the relevant records and strengthen the finance function. The Company also provided a further indicative timeline for completion of the Annual Report and the holding of the AGM

Throughout the period of delay, the Company sought to keep Shareholders informed through announcements on SGXNET concerning:

- its application for an extension of time;
- SGX RegCo's rejection of that application;
- the revised timetable for completion of the FY2025 audit and AGM;
- the reasons for the continuing delay; and
- the steps taken by the Board and Management to address the outstanding audit and record-retrieval matters.

The Board regrets the delay and recognises that timely financial reporting and the holding of annual general meetings are important elements of accountability to Shareholders.

The Board believes that the current Directors and Management have used their reasonable endeavours to retrieve historical records, respond to the external auditor's queries, reconstruct missing information and complete the FY2025 Annual Report as soon as practicable. The Board has also taken steps to strengthen the Group's financial-reporting, record-retention, audit-coordination and governance processes to reduce the risk of similar delays recurring.

The Company will continue to keep Shareholders informed of material developments through SGXNET until the FY2025 Annual Report has been issued and the FY2025 AGM has been convened.

Balanced and Understandable Information

The Board seeks to provide Shareholders with a balanced and understandable assessment of the Group's performance, financial position and prospects.

This includes disclosing material challenges faced by the Group, significant audit and financial-reporting matters, material litigation and claims, liquidity matters, internal-control deficiencies and the remedial measures undertaken or proposed.

The Board recognises that shareholder engagement is not limited to the dissemination of favourable information. Meaningful engagement also requires the Company to explain material delays, uncertainties and difficulties in a candid and timely manner.

Accordingly, the Board has sought to provide progressive updates through SGXNET on the FY2025 audit and AGM timetable rather than waiting until all matters had been fully resolved before informing Shareholders.

Dividend Policy

The Company does not presently have a formal dividend policy.

The declaration and payment of dividends are determined by the Board after taking into account, among other matters:

- the Group's financial performance;
- cash flow and liquidity;
- accumulated profits or losses;
- working-capital requirements;
- debt and other payment obligations;
- capital-expenditure and investment requirements;
- applicable legal and regulatory restrictions; and
- the Group's future business requirements.

Any final dividend recommended by the Board is subject to Shareholder approval at a general meeting. The Board may also declare an interim dividend where it considers it appropriate to do so.

No dividend was declared or recommended for FY2025, having regard to the Group's accumulated losses, financial position, liquidity requirements and existing payment obligations.

The reasons for not declaring or recommending a dividend are disclosed together with the Company's financial-results announcement in accordance with the Catalist Rules.

Board Assessment

Notwithstanding the delay in issuing the FY2025 Annual Report and holding the FY2025 AGM, the Board considers that the Company has sought to maintain communication with Shareholders by making public announcements concerning the delays, the reasons for them, the status of the audit and the revised indicative timelines.

The Board acknowledges that the delay represents a departure from the expected timetable for the holding of the AGM. The reasons for the departure and the measures taken to address it are disclosed above.

The Board will continue to review the effectiveness of the Company's shareholder-engagement arrangements, including its investor-relations contact channels, corporate website, SGXNET disclosures and general-meeting processes.

Principle 13: Engagement with Stakeholders

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

CORPORATE GOVERNANCE REPORT

The Board recognises that the long-term success of the Group depends upon maintaining constructive and sustainable relationships with its material stakeholders.

In discharging its responsibilities, the Board considers the legitimate interests of stakeholders together with the interests of Shareholders, the financial position of the Group, the Group's legal and regulatory obligations and the need to preserve and create long-term value.

The Group's material stakeholders include:

- employees;
- customers;
- suppliers, contractors and business partners;
- lenders, creditors and professional advisers;
- regulators and governmental authorities;
- Shareholders and investors; and
- the communities in which the Group operates.

The nature and extent of engagement with each stakeholder group differ according to the relevant relationship, the matters under consideration and the operations of the Group.

Identification of Material Stakeholders

The Board and Management identify material stakeholders by considering:

- the extent to which the stakeholder is affected by the Group's activities;
- the extent to which the stakeholder may affect the Group's operations, financial position or reputation;
- the legal, contractual or regulatory relationship between the stakeholder and the Group;
- the significance and duration of the relationship;
- the nature of the matters raised by the stakeholder; and
- the potential financial, operational, legal, regulatory, environmental or social impact of those matters.

Material stakeholder concerns are communicated to the relevant members of Management and, where appropriate, escalated to the Board or the relevant Board Committee.

The Board considers stakeholder interests as part of its deliberations on matters including corporate strategy, business operations, restructuring, funding, employment, regulatory compliance, internal controls, sustainability, material transactions and the management of disputes and claims.

Employees

The Group recognises that its employees are important to the continuity and effectiveness of its operations.

The Group engages employees through appropriate channels, which may include:

- direct communication with Management;
- departmental and operational meetings;
- performance and development discussions;
- employment and human-resource processes;
- training and briefings;
- workplace policies and procedures;
- health and safety communications; and
- grievance and whistle-blowing channels.

The Group seeks to provide a working environment in which employees understand their roles, responsibilities, reporting lines and applicable policies.

Following the end of FY2025, the Group commenced further measures to strengthen governance, accountability and internal processes. These measures include the implementation of the Group Governance Manual, clarification of authority and reporting lines, strengthening of internal-control responsibilities and the updating of Group policies and procedures.

The Board recognises that employee engagement is particularly important during periods of organisational change, financial constraint and operational restructuring. Management is therefore expected to communicate material changes affecting employees in a timely and appropriate manner.

Customers

The Group seeks to understand and respond appropriately to the operational and commercial requirements of its customers.

Engagement with customers may take place through:

- meetings and correspondence;
- commercial negotiations;
- project and delivery discussions;
- product or service support;
- quality-control and performance reviews;
- feedback and complaint-handling processes; and
- discussions concerning changes to business or operational requirements.

The Group seeks to conduct its customer relationships fairly and professionally and to provide products and services in accordance with the relevant contractual, quality, safety and regulatory requirements.

Material customer issues which may affect the Group's financial performance, operations or reputation are escalated to Management and, where appropriate, to the Board.

Suppliers, Contractors and Business Partners

The Group engages suppliers, contractors, consultants and business partners to support its business and operational requirements.

The Group seeks to maintain relationships with these stakeholders based on clear commercial terms, appropriate standards of performance, proper documentation and compliance with applicable laws and internal approval requirements.

Engagement may include:

- procurement and quotation processes;
- contract and pricing negotiations;
- performance and service-level discussions;
- verification of deliveries and services;
- payment and account reconciliation;
- resolution of commercial disputes; and
- compliance, confidentiality, data-protection and other due-diligence processes.

Following the internal-controls review, the Group is strengthening its procurement, vendor-onboarding, contracting, approval and payment processes. These measures are intended to improve transparency, accountability and consistency in the Group's dealings with suppliers and service providers.

Lenders and Creditors

The Group maintains relationships with banks, lenders, trade creditors and other persons to whom the Group has payment obligations.

Engagement with these stakeholders may include:

- the provision of financial and operational information;
- discussions concerning banking facilities and security arrangements;
- account and balance confirmations;
- repayment and settlement discussions;
- requests for extensions, waivers or revised payment arrangements; and
- the resolution of claims or disputed amounts.

The Board recognises the importance of dealing candidly and responsibly with lenders and creditors, particularly where the Group is experiencing liquidity constraints.

Management is expected to monitor material payment obligations and to escalate significant defaults, demands, enforcement action or liquidity concerns to the Board in a timely manner.

Regulators and Governmental Authorities

The Group operates in jurisdictions in which it is subject to corporate, securities, employment, tax, licensing, environmental, data-protection and other regulatory requirements.

The Group engages with regulators and governmental authorities through:

- statutory filings and returns;
- applications and licence renewals;
- announcements and regulatory submissions;
- responses to queries and requests for information;
- inspections and audits;
- consultations through the Company’s Sponsor and professional advisers; and
- corrective or remedial action where deficiencies are identified.

The Board seeks to ensure that such engagement is conducted openly, accurately and through properly authorised representatives.

The establishment of the office of Group General Counsel and the implementation of the Group Governance Manual are intended to strengthen the Group’s legal, regulatory and governance oversight.

Communities and Environmental and Social Matters

The Group recognises that its operations may affect the communities and environments in which it operates.

The Group considers, where relevant:

- employee welfare and workplace safety;
- environmental compliance;
- responsible use of energy and resources;
- waste management;
- relationships with local communities;
- ethical business practices;
- regulatory and licensing requirements; and
- the social and economic effects of its operations.

The Group’s approach to sustainability, its material environmental, social and governance matters and its engagement with relevant stakeholders are described in greater detail in its Sustainability Report.

The Company’s Sustainability Report was released through SGXNET on 30 April 2025.

The Group will continue to review the relevance and materiality of environmental, social and governance matters having regard to changes in its businesses, operations, stakeholder expectations and applicable reporting requirements.

Shareholders and Investors

The Company’s engagement with Shareholders and investors is addressed principally under Principles 11 and 12 of this Report.

The Company communicates material information through SGXNET, its corporate website, annual reports, circulars, general meetings and other appropriate communication channels.

The Board seeks to provide Shareholders with a balanced and understandable assessment of the Group’s performance, financial position, material risks and prospects.

The Company also seeks to explain material difficulties and uncertainties affecting the Group, including delays in financial reporting, audit matters, liquidity constraints, disputes and material internal-control deficiencies.

Corporate Website and Public Information

The Company maintains a corporate website at www.asa.com.sg, on which financial, corporate and other information intended for members of the public is made available.

Material information relating to the Company and the Group is disseminated through SGXNET in accordance with the Catalist Rules.

The corporate website and SGXNET announcements provide stakeholders with access to information concerning, among other matters:

- financial results and annual reports;
- corporate announcements;
- notices and results of general meetings;
- circulars and other shareholder documents;
- Board and Management changes;

- material transactions;
- regulatory developments; and
- other information which may materially affect the Company or its securities.

The Company seeks to ensure that material information is released on a timely, accurate and non-selective basis.

Stakeholder Feedback and Escalation

Stakeholders may communicate with the Company through the contact details set out on the Company's corporate website, in its public announcements or through the relevant business or operational contact.

The appropriate communication channel will depend upon the nature of the matter raised. Matters may be referred to:

- the relevant business or functional head;
- an Executive Director;
- the COO;
- Group Finance Head;
- the Group General Counsel;
- the Company Secretary;
- the Chairman of the Board;
- the Chairman of the relevant Board Committee; or
- the Board.

Material concerns involving possible misconduct, financial impropriety, breaches of internal controls or other wrongdoing may also be raised through the Company's whistle-blowing arrangements.

The Board expects Management to assess stakeholder concerns objectively, respond appropriately and escalate matters which may have a material financial, operational, legal, regulatory or reputational impact.

Board Oversight

The Board receives information relating to material stakeholder matters through Management reports, Board papers, regulatory updates, audit findings, legal reports, financial information and direct communications where appropriate.

The Board considers stakeholder interests in the context of the Company's duties and the long-term interests of the Group as a whole. The Board is not required to accord equal weight to every stakeholder interest in every circumstance. Rather, it seeks to balance competing considerations reasonably and in a manner consistent with the best interests of the Company.

The Board will continue to review the Group's stakeholder-engagement arrangements and the adequacy of the channels through which material concerns are communicated and escalated.

The Board is of the view that the Group's practices, together with the more detailed disclosures contained in the Sustainability Report, are consistent with the intent of Principle 13 of the Code.

OTHER CORPORATE GOVERNANCE MATTERS

Material Contracts

Save as disclosed in the financial statements, this Annual Report and the Company's announcements on SGXNET, there were no material contracts, including loans, involving the interests of any Director or controlling Shareholder which were entered into during FY2025 or which remained subsisting as at 31 December 2025.

For the avoidance of doubt, transactions separately disclosed as interested person transactions, related-party transactions, material transactions, legal proceedings or settlements elsewhere in this Annual Report are not repeated under this section unless they also fall within the disclosure requirements relating to material contracts involving the interests of Directors or controlling Shareholders.

MATERIAL LEGAL PROCEEDINGS, CLAIMS AND SETTLEMENTS

Settlement with ASTI Holdings Limited

As previously announced, ASTI Holdings Limited ("ASTI") commenced proceedings against the Company in HC/OC 839/2025.

On 30 March 2026, the Company and ASTI entered into a settlement agreement in full and final settlement of all claims and counterclaims which the parties had or might have against each other arising out of or in connection with those proceedings.

Under the settlement agreement, the Company agreed to pay ASTI an aggregate amount of S$6.0 million by instalments. The parties also agreed to take the necessary steps to discontinue all claims and counterclaims in the proceedings, with no order as to costs

The settlement was entered into after the Board had considered, among other matters:

- the amounts claimed by ASTI;
- the Company's defences and counterclaims;
- the legal and evidential risks associated with continuing the proceedings;
- the substantial costs and management time which would otherwise be incurred;
- the uncertainty inherent in contested litigation; and
- the benefit to the Company of resolving the proceedings on agreed and structured payment terms.

The Board considered that the settlement provided the Company with greater certainty as to its financial exposure and avoided the continuing costs, risks and distraction associated with the proceedings.

The first instalment of S$1.0 million was originally due on 1 July 2026. On 25 June 2026, the Company and ASTI agreed to vary the timing of the first instalment such that:

- S$300,000 was payable by 1 July 2026; and
- the remaining S$700,000 was payable no later than 1 August 2026.

Subsequent to the above, the aforementioned sum of $700,000 was paid/payable as follows:-
(a) the sum of $305,000 (which included agreed legal costs of S$5,000 was paid on the 31 July 2026 and
(b) balance $400,000 together with agreed interest of S$3,271 is payable on the 1 September 2026.

Save for the revised timing of the first instalment, all other terms of the settlement agreement remained unchanged. The aggregate settlement amount continued to be S$6.0 million.

The instalment payments are intended to be funded through a combination of the Group's internal cash resources, cash flows generated from operations and potential fund-raising exercises, including a possible equity placement. The Company continues to monitor its cash-flow position and may consider further funding alternatives where necessary to meet its obligations under the settlement agreement.

The Company will make further announcements concerning any material development relating to the settlement agreement in accordance with the Catalist Rules.

Outstanding Professional Fees and Proposed Settlements

The Company has outstanding professional fees owing to, among others:

Prolegis LLC; and
Insights Law LLC.

As at the date of this Report, the Company is in the final stages of negotiating proposed settlement arrangements with these firms.

The proposed arrangements are expected to involve:

- the settlement of part of the outstanding amounts through the issue of new ordinary shares in the capital of the Company by way of a debt-to-equity conversion; and
- payment of the remaining cash portion by way of staggered instalments.

The proposed settlements have not yet been concluded and remain subject to the finalisation and execution of definitive settlement agreements, agreement on the relevant commercial terms and satisfaction of all applicable legal, regulatory and corporate requirements.

Any issue of new shares pursuant to the proposed debt-to-equity arrangements will be subject to:

- the applicable requirements of the Catalist Rules;
- the receipt of the necessary listing and quotation approval from the SGX-ST;
- the approval of the Sponsor;
- the approval of Shareholders at an extraordinary general meeting ("EGM");
- the abstention of any interested person from voting where required; and
- such other approvals and conditions as may be applicable.

If the proposed settlements are concluded, the Company intends to convene an EGM to seek Shareholders' approval for the relevant share issuances and transactions.

No assurance can presently be given that the proposed settlements will be concluded on the terms currently being discussed or at all. Until definitive agreements are entered into and the relevant conditions are satisfied, the outstanding amounts will continue to be accounted for in accordance with the applicable accounting standards.

The Company will make the necessary announcements on SGXNET if and when definitive settlement agreements are entered into.

CATALIST SPONSOR

Former Sponsor and Non-Sponsor Fees

Pursuant to Rule 1204(21) of the Catalist Rules, the aggregate amount of non-sponsor fees paid or payable to the Company's former continuing sponsor, ZICO Capital Pte. Ltd. ("ZICO Capital"), for FY2025 was S$471,142.60, excluding GST and interest.

The non-sponsor fees related principally to ZICO Capital's appointments:

- as financial adviser to the Company in connection with the acquisition of LSO Organization Holdings Pte. Ltd.; and
- as manager of the Company's Rights Cum Warrants Issue.

ZICO Capital ceased to act as the Company's continuing sponsor with effect from 20 February 2026.

Asian Corporate Advisors Pte. Ltd. was subsequently appointed as the Company's continuing sponsor.

Dispute with ZICO Capital

On 1 July 2026, the Company received a statutory demand from the solicitors acting for ZICO Capital for an alleged sum of S$643,534.82, including interest.

The amount claimed was stated to arise from invoices rendered by ZICO Capital for:

- continuing sponsorship services;
- services provided as financial adviser in connection with the acquisition of LSO Organization Holdings Pte. Ltd.; and
- accrued interest on the unpaid invoices.

The statutory demand required payment within three weeks, failing which ZICO Capital might commence winding-up proceedings against the Company

The Company disputes the basis and quantum of the amounts claimed by ZICO Capital.

Following its review of the matters giving rise to the claims, the Company commenced legal proceedings against ZICO Capital seeking, among other relief, damages arising from ZICO Capital's former appointments and the services provided by it to the Company.

The claims advanced by the Company include matters which the Company considers may constitute breaches of the duties and obligations owed by ZICO Capital in its capacities as the Company's former continuing sponsor and financial adviser.

The proceedings remain ongoing as at the date of this Report. The Company has not admitted liability for the amounts claimed by ZICO Capital.

Accounting treatment

Notwithstanding the commencement of proceedings by the Company seeking damages against ZICO Capital, the Company has adopted a prudent accounting approach.

The Company has:

- not recognised any contingent asset or account receivable in respect of the damages or other relief sought against ZICO Capital;
- not recognised any income or gain arising from the Company's claims against ZICO Capital; and
- not reversed the existing accruals or provisions recorded in the financial statements in respect of the amounts claimed by ZICO Capital.

Accordingly, the commencement of the proceedings has not resulted in the recognition of any asset or reduction of any liability relating to the ZICO Capital dispute.

This treatment has been adopted without prejudice to the Company's legal position and does not constitute an admission that the amounts claimed by ZICO Capital are due or payable.

The accounting treatment will be reviewed periodically having regard to:

- the progress of the proceedings;
- legal advice received by the Company;
- any judgment, settlement or other material development;
- the availability and reliability of evidence; and
- the applicable financial-reporting standards.

The Company will continue to announce material developments in relation to the dispute in accordance with the Catalist Rules.

USE OF PROCEEDS
Rights Cum Warrants Issue

Use of RCW Net Proceeds	Amount of RCW Net Proceed raised (S$' million)	Balance as at 6 January 2025 (S$' million)	Revised balance as announced on 1 March 2025 (S$' million)	Amount utilised from the period of 7 January 2025 up until 28 February 2025 (S$' million)	Balance of RCW Net Proceeds as at 28 February 2025 (S$' million)
Partial payment of the cash consideration payable to the vendors for the acquisition of 100% of LSO Organization Holdings Pte. Ltd. ("LSO Acquisition")	3.497	2.112(1)	0.450(2)	0.450	-
Partial payment of the indebtedness owing to Seah Chong Hoe	0.135	-	-	-	-
Partial payment of professional fees owing to Insights Law LLC ("ILAW") and ZICO Capital Pte. Ltd. ("ZICAP") in respect of the LSO Acquisition	0.367	-	-	-	-
General corporate and working capital purposes(1)	0.606	0.006	1.668(2)	1.066(3)	0.602
Total	**4.605**	**2.118**	**2.118**	**1.516**	**0.602**

(1) On 6 January 2025, the Company announced a deviation in the use of S$0.098 million of the RCW Net Proceeds. The amount, which had originally been allocated for partial payment of the cash consideration for the LSO acquisition, was instead used for partial payment of professional fees owing to Insights Law LLC and ZICO Capital.

(2) On 1 March 2025, the Company announced a further deviation in the use of S$1.662 million of the RCW Net Proceeds. The amount had originally been allocated for partial payment of the cash consideration for the LSO acquisition and was reallocated to general corporate and working-capital purposes, including partial payment of indebtedness owing to a Shareholder, professional fees, payroll and other expenses.

(3) The breakdown of the S$1.066 million used for general corporate and working-capital purposes was as follows:

(a)	Partial payment of the indebtedness owing to a shareholder	0.513 million
(b)	Professional fees	0.322 million
(c)	Payroll related costs	0.138 million
(d)	Others	0.093 million
Total		1.066 million

As at 28 February 2025, the Company had reported a remaining balance of approximately S$0.602 million from the RCW Net Proceeds.

On 5 August 2025, the Company announced that, following internal investigations by the Board and based on the Company's bank-account records, the remaining balance appeared to have been fully utilised. At that time, the Company stated that it was reviewing the Group's financial records to determine whether the utilisation was consistent with the intended uses previously announced

Following its review of the available accounting records, bank statements and supporting information, the Company determined that the remaining S$0.602 million had been utilised for general corporate and working-capital purposes.

Accordingly, no unutilised RCW Net Proceeds remained as at 31 December 2025.

The Board acknowledges that the records initially available to the current Board did not provide a complete contemporaneous breakdown of the utilisation of the remaining proceeds. The current Board and Management therefore had to review and reconstruct the position from the available bank statements, accounting records and other supporting information.

The difficulties encountered in retrieving and verifying the relevant historical records formed part of the broader record-retention and internal-control matters considered by the Board, the ARC, the external auditor and the internal auditor.

Following the review, the Company has taken or is taking steps to strengthen:

- the maintenance of a central proceeds-utilisation register;
- the retention of invoices, agreements, payment approvals and bank records;
- the reconciliation of proceeds against the stated uses announced to Shareholders;
- periodic reporting on the utilisation of proceeds to the Board and ARC;
- verification by Group Finance Head before the release of utilisation announcements;
- review by the Group General Counsel and Sponsor where a change in the use of proceeds is proposed; and
- compliance with the applicable approval and disclosure requirements under the Catalist Rules.

Any future deviation from an announced use of proceeds will be subject to the applicable Board approvals and announcement requirements.

The Board considers the absence of complete contemporaneous records evidencing the utilisation of the remaining RCW Net Proceeds to constitute a historical weakness in the Group's internal controls over proceeds monitoring, record retention, reconciliation and reporting.

In particular, the need for the current Board and Management to reconstruct the utilisation from available bank statements, accounting records and other supporting information demonstrates that the contemporaneous documentation and monitoring controls were not sufficiently robust.

The Board does not consider the subsequent reconstruction exercise to cure the historical control weakness. The reconstruction was undertaken to establish the utilisation as accurately as reasonably possible from the records available.

The remedial measures described above, including the maintenance of a central proceeds-utilisation register, retention of supporting documents, reconciliation against announced uses, periodic reporting to the Board and ARC and review of future utilisation disclosures, are intended to address the weakness and reduce the risk of recurrence.

Board's Approach to Legacy Claims and Liabilities

The Board has undertaken a review of various historical transactions, claims, professional-fee arrangements and liabilities inherited by the current Board and Management.

In dealing with these matters, the Board has sought to:

- verify the contractual and evidential basis of each claim;
- resist claims which it considers unsupported, overstated or disputed;
- avoid unnecessary and prolonged litigation where a reasonable commercial settlement can be achieved;
- negotiate reductions, extended payment terms or structured settlements where appropriate;
- preserve the Group's liquidity and operational continuity as best as it possibly can;
- ensure that any issue of shares is subject to the necessary regulatory and Shareholder approvals; and
- account for claims and potential recoveries prudently and consistently with the applicable financial-reporting standards.

The settlement with ASTI, the ongoing dispute with ZICO Capital and the proposed settlements of outstanding professional fees form part of this broader process.

The Board will continue to evaluate each matter on its merits and will make further announcements where required under the Catalist Rules.

Information on Directors Nominated for Re-Election – Appendix 7F of the Catalist Rules

Ms Gan Shiying is a Director who will be seeking re-election at the forthcoming AGM of Advanced Systems Automation Limited (the "Company") to be convened on 11 September 2026

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to Ms Gan in accordance with Appendix 7F of the Catalist Rules are set out below:

Name of Director: Ms Gan Shi Ying

Date of Appointment	1 April 2026
Date of last re-appointment (if applicable)	Not applicable
Age	41
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process).	The Board, on the recommendation of the Nominating Committee, considers Ms Gan suitable for re-election as an Executive Director. She brings over 10 years of corporate finance experience across asset management, corporate and restructuring advisory and public sector policy, including capital structure assessment, enterprise valuation, transaction execution and risk governance. As Chief Operating Officer, she also contributes operational leadership to the Company. The Nominating Committee assessed her qualifications, experience and contributions to the Board, and took into account board diversity considerations including her financial and governance expertise.
Whether appointment is executive, and if so, the area of responsibility	Yes. Ms Gan is responsible for the operational management of the Company as Chief Operating Officer.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chief Operating Officer and Executive Director
Professional qualifications	MSc Financial Economics, University of Oxford (Trinity College) BSc Economics (First-Class Honours), University College London Accredited Director, Singapore Institute of Directors (2024-Present) Associate Member, CPA Australia Financial Accounting Certificate, The Wharton School
Working experience and occupation(s) during the past 10 years	Partner, Argile Partners Pte Ltd (Apr 2026 – Present) Investment Director, Single Family Office (May 2021 – Mar 2026) Consultant, nTan Corporate Advisory Pte Ltd (Aug 2020 – Mar 2026) Investment Director, Kalms Singapore Pte Ltd (Jan 2019 – Mar 2020) Vice President, Northwaters Capital Pte Ltd (Sep 2018 – May 2019) Chief Operating Officer, Asia Box Office Pte Ltd (Dec 2017 – Aug 2018) Chief of Staff, Six Capital Wealth Ltd (Jun 2015 – Jul 2017) Assistant Director, Ministry of Sustainability and the Environment / Finance Executive, PUB Singapore (Oct 2008 – May 2015)

Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Past Directorships (for the last 5 years)	Director, SPHI Kreuz Subsea Sdn Bhd Kreuz Challenger Pte. Ltd. and K Subsea Brunei Limited BVI (2020–2024)
Present Directorships	Director, S9 Asset Management Pte Ltd (2021–Present) Director, The Smart Think Australia Pty Ltd, Australia (2020–Present)
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject	No

	of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No For completeness, Ms Gan was named as a defendant in civil proceedings commenced in 2018. She was not a director or key executive of the relevant entity at the material time. Ms Gan applied to strike out the claim against her on the basis that it disclosed no reasonable cause of action. The claim against Ms Gan was discontinued by the plaintiff in May 2019, prior to any trial, with no judgment, finding of liability, wrongdoing, dishonesty, or misconduct entered or made against her. This is reflected in the High Court judgment in [2020] SGHC 42.
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-	No
	(i) any corporation which has been investigated for a breach of any law or regulatory	No

requirement governing corporations in Singapore or elsewhere; or	
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	No. Ms Gan will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.

Information on Directors Nominated for Re-Election – Appendix 7F of the Catalist Rules
Mr Lim Chen Chong is a Director who will be seeking re-election at the forthcoming AGM of the Company to be convened on 11 September 2026.

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to Mr Lim in accordance with Appendix 7F of the Catalist Rules are set out below:

Name of Director: MR LIM CHEN CHONG

Date of Appointment	26 August 2024
Date of last re-appointment (if applicable)	16 December 2025
Age	57
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process).	The re-election of Mr Lim Chen Chong ("Mr Lim") as a Non-Independent and Non-Executive Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr Lim's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Independent and Non-Executive Director
Professional qualifications	Bachelor of Business Administration, University of Miami
Working experience and occupation(s) during the past 10 years	Mar 1992 – Present Waterfront Marina Resort Pte Ltd - Director In Charge Of Operation Sep 1995 - Sep 2020 T.K. Properties Pte Ltd - Director Sep 1995 – Present Marina City Development Pte Ltd - Director in Charge of

	Operation, Marketing <u>Sep 1995 – Present</u> T.K. Lim Realty Private Limited - Director in Charge of Operation <u>Sep 2007 – Present</u> Lim Shrimp Organization Limited - Ex-CEO in charge of all high level planning and operation. currently act as an Advisor guiding the current CEO <u>Apr 2013 – Present</u> LSO Hainan Pte Ltd - Director in Charge of Operation <u>Oct 2021- Present</u> Cableco Investments Pte Ltd - Director in Charge of Investment <u>Nov 2021 – Present</u> The Biolabs Pte Ltd - Vice Chairman in Charge of Operation And Marketing <u>Apr 2022 – Present</u> Three S Asset Management Pte Ltd - Alternate Director in Charge of Investment <u>Dec 2002 – Present</u> Select Investments Pte Ltd - Director in Charge Of Investment <u>Jun 2023 – Present</u> Ubody Pte Ltd - Director in Charge Of Operation And Marketing <u>Jun 2023 – Present</u> Udetox Holdings Pte Ltd - Director in Charge Of Operation <u>Aug 2023 – Present</u>

	Lim Shrimp Corporation Pte Ltd - Director in Charge Of Operation <u>Aug 2023 – Present</u> LSO Organization Holdings Pte Ltd - Director in Charge Of Operation <u>Jan 2024 – Present</u> LSO Aquatech Pte Ltd - Director <u>Jul 2024 – Present</u> LSO Pacific Pte Ltd - Director <u>Jun 2025 – Present</u> Pioneer Venture Pte Ltd - Director <u>Jan 2026 – Present</u> Rocket X Ventures (S) Pte Ltd - Director <u>Jul 2026 – Present</u> LSO Aquaculture Technology Pte Ltd - Director
Shareholding interest in the listed issuer and its subsidiaries	Yes
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Yes
Conflict of interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Past Directorships (for the last 5 years)	Modular Tech Pte Ltd Pines Venture Pte Ltd T.K. Propertied Pte Ltd
Present Directorships	Lim Shrimp Organization Limited Cableco Investments Pte Ltd Three S Asset Management Pte Ltd Select Investments

		Pte Ltd Lim Shrimp Aquapolis Pte Ltd Lim Shrimp Corporation Pte Ltd LSO Organization Holdings Pte Ltd LSO Hainan Pte Ltd Marina City Development Pte Ltd T.K. Lim Realty Private Limited Ubody Pte Ltd Udetox Holdings Pte Ltd Waterfront Marina Resort Pte Ltd PT Gajah Udang Alethea Marine Culture Sdn Bhd LSO Aquatech Pte Ltd. LSO Pacific Pte Ltd. Pioneer Venture Pte Ltd Rocket X Ventures (S) Pte. Ltd. The Biolabs Pte Ltd] LSO Aquaculture Technology Pte Ltd
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an	No

	equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	
(c)	Whether there is any unsatisfied judgment against him?	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-	
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
	(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No

(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	No, Mr Lim will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST.

Appendix 2

ADVANCED SYSTEMS AUTOMATION LIMITED

DIRECTORS' STATEMENT AND AUDITED FINANACIAL STATEMENTS

Advanced Systems Automation Limited
and its Subsidiary Corporations
(Incorporated in the Republic of Singapore)
(Company Registration No. 198600740M)

Annual Report
For the Financial Year Ended 31 December 2025

The directors present their statement to the members together with the audited consolidated financial statements of the Group for the financial year ended 31 December 2025 and the statement of financial position of the Company as at 31 December 2025.

Opinion of Directors

In the opinion of the directors,

(a) the statement of financial position of the Company and the consolidated financial statements of the Group are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2025 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, based on the assumptions and measures undertaken as described in Note 2.1 to the financial statements, there are reasonable grounds to believe that the Group and the Company will be able to pay its debts as and when they fall due for at least 12 months from the date the financial statements are authorised for issuance.

Directors

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

Chng Hee Kok	
Lim Chen Chong	
Kenneth Sng Min Hua	(appointed on 12 June 2025)
Hong Seong Soo	(appointed on 1 October 2025)
Ng Foong Han	(appointed on 15 October 2025)
Gan Shi Ying	(appointed on 1 April 2026)

Arrangements to enable directors to acquire shares or debentures

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

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares, warrants or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director		
	At 21.1.2026	**At 31.12.2025**	At 1.1.2025
Advanced Systems Automation Limited			
(No. of ordinary shares)			
Lim Cheng Chong	**23,725,186**	**73,725,186**	153,864,155
(No. of warrants)			
Lim Cheng Chong	**61,538,460**	**61,538,460**	61,538,460

Directors' interests in shares or debentures (continued)

	Holdings in which a director is deemed to have an interest		
	At 21.1.2026	**At 31.12.2025**	At 1.1.2025
Advanced Systems Automation Limited			
(No. of ordinary shares)			
Lim Cheng Chong	**80,120,966**	**80,120,966**	-

Share options

No share options were granted during the financial year to subscribe for unissued shares of the Company or its subsidiary corporations.

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 subsidiary corporations.

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

Audit Committee

The members of the Audit Committee at the end of the financial year were as follows:

Chng Hee Kok (Chairman)
Hong Seong Soo
Lim Chen Chong

All members of the Audit Committee were independent non-executive directors. Except for Mr Lim Chen Chong who is a non-independent director.

The Audit Committee ("AC") carried out its functions in accordance with section 201B(5) of the Companies Act 1967 of Singapore, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the AC:

(i) Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors;
(ii) Reviewed the annual financial statements and the independent auditors' report on the annual financial statements of the Group and the Company before their submission to the board of directors;
(iii) Reviewed the half-yearly and annual announcements as well as the related press releases on the results of the Group and financial position of the Group and of the Company;
(iv) Reviewed effectiveness of the Group's and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;
(v) Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
(vi) Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
(vii) Reviewed the cost effectiveness and the independence and objectivity of the external auditor;

Audit Committee (continued)

The Audit Committee ("AC") carried out its functions in accordance with section 201B(5) of the Companies Act 1967 of Singapore, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the AC: (continued)

(viii) Reviewed the nature and extent of non-audit services provided by the external auditor, if any;
(ix) Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;
(x) Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate; and
(xi) Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

The AC has also conducted a review of interested person transactions.

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

Further details regarding the AC are disclosed in the Report on Corporate Governance.

On behalf of the Board of Directors

……..…………………………………………
Chng Hee Kok
Non-Executive Chairman

……..…………………………………………
Ng Foong Han
Executive *Director*

Singapore

25 August 2026

Independent Auditor's Report to the Members of
Advanced Systems Automation Limited

Report on the Audit of Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Advanced Systems Automation Limited (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated statement of financial position of the Group and of the statement of financial position of the Company as at 31 December 2025, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

We do not express an opinion on the accompanying consolidated financial statements of the Group. Because of the significance of the matters described in the Bases for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Bases for Disclaimer of Opinion

Inability to obtain sufficient appropriate audit evidence over the consolidated financial statements of the Group

As at the date of this report, management was unable to provide sufficient supporting information and documentation to substantiate certain consolidation adjustments recognised in the consolidated financial statements of the Group for the financial year ended 31 December 2025. In addition, the intercompany balances and transactions reflected in the intercompany reconciliation matrix could not be fully reconciled between the respective Group entities. Consequently, we were unable to obtain sufficient appropriate audit evidence regarding the completeness and accuracy of the related intercompany eliminations and consolidation adjustments.

Our independent auditor's report on the consolidated financial statements of the Group for the financial year ended 31 December 2024 contained a disclaimer of opinion in respect of similar matters. As those matters remain unresolved as at the date of this report, we were unable to obtain sufficient appropriate audit evidence regarding the related opening balances as at 1 January 2025. Accordingly, we were unable to determine whether any adjustments to the opening balances were necessary and whether such adjustments might have affected the current year's financial statements or the comparability of the current year's figures and the corresponding figures.

Report on the Audit of Financial Statements (continued)

Bases for Disclaimer of Opinion (continued)

Going concern

As disclosed in Note 2.1 to the financial statements, the Group and Company incurred net losses of S$5,550,000 and S$10,962,000 respectively, and the Group recorded a net operating cash outflow of S$189,000 for the financial year ended 31 December 2025. As at that date, the Group and the Company were in net current liabilities positions of S$8,162,000 and S$8,711,000, respectively.

As disclosed in Note 32(c) to the financial statements, on 5 March 2026, the Company received a notice of demand from Zico Capital Pte. Ltd. ("ZICAP") for S$627,708, including interest, allegedly due under the engagement agreements between the Company and ZICAP. Subsequently, on 1 July 2026, the Company received a statutory demand from solicitors acting for ZICAP for an increased sum of S$643,534, including interest, in respect of invoices for continuing sponsorship services and financial advisory services provided in connection with the acquisition of the LSO Group (Note 30(a)), failing payment of which within three weeks, ZICAP has stated its intention to commence winding-up proceedings against the Company. Management disputes the claim and intends to resist it, and to apply to set aside the statutory demand and oppose any winding-up proceedings that may be commenced. As at the date of this report, we were unable to obtain sufficient appropriate audit evidence regarding the likely outcome of the claim and its potential impact on the Group's and the Company's ability to continue as going concerns.

Separately, as disclosed in Note 32(d) to the financial statements, the Company had previously received letters of demand from ASTI Holdings Limited ("ASTI") in relation to outstanding management fees and loans allegedly owed by the Company. On 30 March 2026, the Company and ASTI reached an amicable settlement of the related suit (HC/OC 839/2025) and entered into a settlement agreement, pursuant to which the Company is required to pay ASTI by instalments an aggregate settlement sum of S$6,000,000 over the period from 1 July 2026 to 1 July 2030.

These events and conditions indicate the existence of material uncertainties that may cast significant doubt on the Group's and the Company's ability to continue as going concerns.

Nevertheless, the Board of Directors of the Company has concluded that the use of the going concern basis of accounting in the preparation of the financial statements for the financial year ended 31 December 2025 remains appropriate after considering the assumptions disclosed in Note 2.1 to the financial statements.

As at the date of this report, we were unable to obtain sufficient appropriate audit evidence regarding certain key assumptions underlying management's assessment of the Group's and the Company's ability to continue as going concerns, including the proposed deferral of the shareholder loan repayments, the proposed debt-equity swap with AOF I and the outcome of the ZICAP claim. Accordingly, we were unable to conclude whether the use of the going concern basis of accounting in the preparation of the accompanying financial statements is appropriate.

Report on the Audit of Financial Statements (continued)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the consolidated financial statements of the Group and the statement of financial position of the Company in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Bases for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on the Audit of Financial Statements (continued)

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matters referred to in the Bases for Disclaimer of Opinion section of our report, we do not express an opinion on whether 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 director on the audit resulting in this independent auditor's report is Hock Xiu Min, Sandy.

CLA Global TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore

25 August 2026

Advanced Systems Automation Limited and its Subsidiary Corporations
Consolidated Statement of Comprehensive Income
For the financial year ended 31 December 2025

	Note	Group 2025 S$'000	Group 2024 S$'000 (Restated)
Revenue	4	16,285	17,621
Cost of sales		(12,069)	(12,737)
Gross profit		4,216	4,884
Other loss	6	(5,065)	(525)
Expenses			
- Selling and marketing		(439)	(527)
- General and administrative		(3,359)	(8,792)
- Finance costs	5	(879)	(1,091)
Loss before income tax	7	(5,526)	(6,051)
Income tax expense	9	(24)	(332)
Net loss for the year		(5,550)	(6,383)
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Currency exchange differences on translating foreign operations		(1,127)	(393)
Total comprehensive loss		(6,677)	(6,776)
Net loss attributable to:			
Equity holders of the Company		(4,984)	(6,088)
Non-controlling interests		(566)	(295)
		(5,550)	(6,383)
Total comprehensive loss attributable to:			
Equity holders of the Company		(6,163)	(6,466)
Non-controlling interests		(514)	(310)
		(6,677)	(6,776)
Loss per share for net loss attributable to equity holders of the Company (cents per share)			
- Basic and diluted loss per share	10	(0.30)	(0.37)

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

	Note	**Group** **31 December 2025 S$'000**	**31 December 2024 S$'000** (Restated)	**1 January 2024 S$'000**
ASSETS				
Non-current assets				
Property, plant and equipment	11	6,789	6,493	6,354
Intangible assets	12	4,710	12,813	-
Right-of-use assets	20	770	853	495
Deferred tax asset		627	438	-
		12,896	20,597	6,849
Current assets				
Inventories	14	388	540	809
Trade and other receivables	15	3,431	4,051	4,386
Prepayments and advances	16	122	63	260
Cash and bank balances	17	2,560	4,733	4,251
Tax recoverable		103	123	138
		6,604	9,510	9,844
Total assets		19,500	30,107	16,693
LIABILITIES				
Current liabilities				
Trade and other payables	18	13,254	12,253	6,975
Convertible notes	19	-	-	2,587
Contract liabilities	4(b)	39	68	149
Income tax payable		59	135	66
Lease liabilities	20	67	36	187
Loans and borrowings	21	1,347	1,396	1,344
		14,766	13,888	11,308
Non-current liabilities				
Trade and other payables	18	9,605	13,994	10,765
Lease liabilities	20	92	333	52
Loans and borrowings	21	983	1,017	1,339
Deferred tax liabilities	9	657	891	478
		11,337	16,235	12,634
Total liabilities		26,103	30,123	23,942
Net liabilities		(6,603)	(16)	(7,249)
EQUITY				
Share capital	22	162,367	162,277	148,841
Foreign currency translation reserve	23	(1,557)	(378)	(1,050)
Merger reserve	23	(2,136)	(2,136)	(2,136)
Accumulated losses		(163,976)	(158,992)	(152,904)
		(5,302)	771	(7,249)
Non-controlling interests		(1,301)	(787)	-
Total equity		(6,603)	(16)	(7,249)

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

	Note	**Company** **31 December 2025** **S$'000**	**31 December 2024** **S$'000** (Restated)	**1 January 2024** **S$'000**
ASSETS				
Non-current assets				
Property, plant and equipment	11	12	11	-
Investments in subsidiary corporations	13	9,103	22,732	10,494
		9,115	22,743	10,494
Current assets				
Trade and other receivables	15	1,346	1,145	2,332
Prepayments and advances	16	8	34	8
Cash and bank balances	17	93	1,292	34
		1,447	2,471	2,374
Total assets		10,562	25,214	12,868
LIABILITIES				
Current liabilities				
Trade and other payables	18	10,158	9,550	6,380
Convertible notes	19	-	-	2,587
		10,158	9,550	8,967
Non-current liabilities				
Trade and other payables	18	9,605	13,994	10,765
Total liabilities		19,763	23,544	19,732
Net liabilities		(9,201)	1,670	(6,864)
EQUITY				
Share capital	22	162,367	162,277	148,841
Accumulated losses		(171,568)	(160,607)	(155,705)
		(9,201)	1,670	(6,864)

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

	Attributable to equity holders of the Company						
Group	**Share capital S$'000**	**Accumulated losses S$'000**	**Merger reserve S$'000**	**Foreign currency translation reserve S$'000**	**Total S$'000**	**Non-controlling interests S$'000**	**Total equity S$'000**
As at 1 January 2024	148,841	(152,904)	(2,136)	(1,050)	(7,249)	-	(7,249)
Issuance of shares	21,005	-	-	-	21,005	-	21,005
Loss for the financial year	-	(7,389)	-	-	(7,389)	230	(7,159)
Exchange differences on translating foreign operations	-	-	-	(120)	(120)	-	(120)
Total comprehensive loss for the year	-	(7,389)	-	(120)	(7,509)	230	(7,279)
As at 31 December 2024, as previously stated	169,846	(160,293)	(2,136)	(1,170)	6,247	230	6,477
Prior year adjustments (Note 31)	(7,569)	1,301	-	792	(5,476)	(1,017)	(6,493)
As at 31 December 2024	162,277	(158,992)	(2,136)	(378)	771	(787)	(16)
Issuance of shares	90	-	-	-	90	-	90
Loss for the financial year	-	(4,984)	-	-	(4,984)	(566)	(5,550)
Exchange differences on translating foreign operations	-	-	-	(1,179)	(1,179)	52	(1,127)
Total comprehensive loss for the year	-	(4,984)	-	(1,179)	(6,163)	(514)	(6,677)
At 31 December 2025	162,367	(163,976)	(2,136)	(1,557)	(5,302)	(1,301)	(6,603)

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

Company	**Share capital S$'000**	**Accumulated losses S$'000**	**Total S$'000**
As at 1 January 2024	148,841	(155,705)	(6,864)
As previously reported	21,005	(4,741)	16,264
Prior year adjustments:			
- Issuance of ordinary shares (Note 22)	(7,569)	-	(7,569)
- Net loss for the year	-	(161)	(161)
At 31 December 2024 (as restated)	162,277	(160,607)	1,670
Issue of ordinary shares (Note 22)	90	-	90
Net loss for the financial year	-	(10,962)	(10,962)
As at 31 December 2025	162,367	(171,568)	(9,201)

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

	Note	Group 2025 S$'000	Group 2024 S$'000 (Restated)
Operating activities			
Loss before income tax		(5,526)	(6,048)
Adjustments for:			
Depreciation of property, plant and equipment	11	1,092	875
Depreciation of right-of-use assets	20	165	132
Impairment of intangible asset	12	8,235	-
Fair value loss on convertible notes	20	-	98
Allowance for trade receivables, net	26	648	1,701
Gain on settlement of payables due to a former corporate shareholder	18	(3,393)	-
Interest income	5	-	(38)
Interest expense	5	879	1,091
Currency exchange loss, net		179	(193)
Operating cash flows before changes in working capital		2,279	(2,382)
Changes in working capital:			
- Inventories		152	312
- Trade and other receivables and prepayment and advances		(87)	(6,221)
- Trade and other payables, contract liabilities and other liabilities		(2,477)	6,735
Cash flows used in operations		(133)	(1,556)
Interest received		-	38
Income tax paid		(56)	(304)
Net cash flows used in operating activities		(189)	(1,822)
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(1,203)	(788)
Acquisition of a subsidiary, net of cash acquired		-	5
Net cash flows used in investing activities		(1,203)	(783)
Cash flows from financing activities			
Proceeds from exercise of warrants		91	-
Net proceeds from issuance of rights shares		-	2,105
Payment of principal portion of lease liabilities		(185)	(140)
Proceed from convertible loan note		-	2,000
Repayments of bank borrowings		(356)	(907)
Proceeds from bank borrowings		-	521
Loan due to a related party		70	-
Amount due to a former corporate shareholder		(545)	-
Interest paid		(700)	(304)
Net cash flows (used in)/generated from financing activities		(1,625)	3,275
Net (decrease)/increase in cash and cash equivalents		(3,017)	670
Cash and cash equivalents at beginning of the year		3,988	3,569
Effects of exchange rate changes on cash and cash equivalents		487	(251)
Cash and cash equivalents at end of the year	17	1,458	3,988

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

Reconciliation of liabilities arising from financing activities:

			Non-cash item					
	At beginning of financial year S$'000	**Financing cash flows S$'000**	**Acquisition S$'000**	**Corporate support services and others S$'000**	**Gain on settlement S$'000**	**Interest expenses S$'000**	**Foreign exchange movement S$'000**	**At end of financial year S$'000**
<u>2025</u>								
Liabilities								
Loans and borrowings (Excluding bank overdraft)	1,668	(588)	-	-	-	[illegible]	-	1,228
Lease liabilities	369	(235)	-	-	-	[illegible]	-	159
Loans due to a shareholder	1,625	(1)	-	-	-	[illegible]	-	1,715
Amount due to a related party	304	71	-	-	-		-	375
Amount due to a corporate shareholder	9,586	(545)	-	-	(3,393)	[illegible]	-	6,000
<u>2024</u>								
Liabilities								
Loans and borrowings (Excluding bank overdraft)	2,001	(566)	-	-	-	[illegible]	(123)	1,668
Lease liabilities	239	(235)	333	-	-	[illegible]	24	369
Loans due to a shareholder	2,049	-	-	(513)	-	[illegible]	-	1,625
Convertible notes	2,587	-	-	-	(2,587)		-	-
Amount due to a related party	318	-	-	-	-		(23)	295
Amount due to a corporate shareholder	11,009	-	-	(1,892)	-	[illegible]	-	9,586

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

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

1. General

Advanced Systems Automation Limited (the "Company") was incorporated and domiciled in Singapore on 10 April 1986. The Company was admitted to the Official List of Stock Exchange of Singapore Dealing and Automated Quotation System on 22 July 1996 and was transited to a listing on Catalist with effect from on 4 January 2010.

The registered office of the Company and principal place of the business is located at 16 Kallang Place, #03-01/02, Singapore 339156.

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

The consolidated financial statements of the Group for the financial year ended 31 December 2025 and the statement of financial position and changes in equity of the Company as at 31 December 2025 were authorised for issue by the Board of Directors at the date of the Directors' Statement.

2. Material Accounting Policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

The financial statements are expressed in Singapore Dollar and all values have been rounded to the nearest thousand ("S$'000") unless otherwise stated.

Interpretations and amendments to published standards effective in 2025

On 1 January 2025, the Group adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Going concern basis

The Group's and the Company's net (liabilities)/assets were S$(6,603,000) (2024: S$(16,000)) and S$(9,201,000) (2024: S$1,670,000) respectively. However, the Group and Company's current liabilities exceeded its current assets by S$8,162,000 (2024: S$4,378,000) and S$8,711,000 (2024: S$7,079,000) respectively. In addition, the Group incurred a net loss of S$5,553,000 (2024: net loss of S$6,380,000) and generated a net operating cash outflow of S$189,000 (2024: S$1,822,000) for the financial year ended 31 December 2025. These conditions cast doubt on the appropriateness of the going concern assumption used by the Group and the Company.

2. Material accounting policies (continued)

2.1 Basis of preparation (continued)

Going concern basis (continued)

Notwithstanding the above, the financial statements have been prepared on a going concern basis as the board of directors are confident that the Group will generate positive cash flow based on a cash flow projection of 12 months from the end of the financial year prepared by management.

In preparing the cash flow projection, the Group has taken the following into consideration:

(a) The deferment of the purchase consideration of approximately S$4,090,000 relating to the acquisition of the LSO Group (Note 18). As at 31 December 2025, management has obtained an extension that allows the repayment of the consideration to be deferred to a date beyond the next 12 months;

(b) As disclosed in Note 18 to the financial statements, the loan due to a shareholder amounted to $1,715,082 as at 31 December 2025, which is repayable in accordance with the repayment plan set out in the loan agreement dated 6 June 2023. Management is seeking a deferral of the repayment of the outstanding amounts by 24-months, accordingly no cash outflows has been forecast in respect of the amount due to the shareholder within the next 12 months;

(c) As disclosed in Note 32(a) to the financial statements, amount due to Advance Opportunities Fund I ("AOF I") by the Company amounted to an aggregate S$2,300,000 in principal as at 31 December 2025 pursuant to the Debt Settlement Agreement. The Company has entered into a conditional Debt-Equity Swap Agreement with AOF I dated 31 December 2025, pursuant to which AOF I has agreed to subscribe for 555,555,555 new ordinary shares at S$0.0036 each in full and final satisfaction of S$2,000,000 of the debt, subject to conditions including shareholders' approval at an extraordinary general meeting. As at the date of this report, the conditions to the Debt-Equity Swap Agreement have not been satisfied, and accordingly no cash outflow has been forecast in respect of the S$2,000,000 within the next 12 months;

(d) As disclosed in Note 32(b) to the financial statements, the Company is contesting the claim raised in the statutory demand from ZICAP dated 1 July 2026 for S$643,534; accordingly, no cash outflow has been forecast for the full amount claimed; and

(e) As disclosed in Note 32(c) to the financial statements, the Company has entered into a settlement agreement with ASTI dated 30 March 2026, pursuant to which the aggregate settlement sum of S$6,000,000 is payable in five instalments from 1 July 2026 to 1 July 2030, and this committed payment schedule has been factored into the Group's cashflow forecast.

Based on the above, the board of directors has assessed and are of the view that it is appropriate that the financial statements of the Group and Company be prepared on a going concern basis.

If the Group and the Company were unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities respectively. No such adjustments have been made to these financial statements.

2. Material accounting policies (continued)

2.2 Revenue Recognition

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

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Fabrication assembly of parts

The Group provides precision engineering and fabrication assembly of parts for semi-conductor, consumer products and business equipment industries, which are reportable under Equipment Contract Manufacturing Services (“ECMS”) segment (Note 31).

Revenue is recognised when the goods are delivered to the customer. Certain revenue recognition is based on criteria for customer acceptance.

(b) Aquaculture

The Group is also involved in the management and operation of, and the licensing of operational know-how and expertise to aquaculture farms, reportable under the Aquaculture segment (Note 31). Revenue is recognized when services are rendered. The transaction price allocated to these services is recognized as income when the Company’s performance obligations for that month are fulfilled. Variable share of profit is recognized when the entitlement is established, the amount can be reliably measured, and it is highly probable that a significant reversal of revenue will not occur. Revenue is measured at the fair value of consideration received or receivable, net of discounts and applicable taxes.

(c) Interest income

Interest income is recognised using the effective interest method.

2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

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

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

Non-monetary government grant is recognised at nominal amount.

2. Material accounting policies (continued)

2.4 Basis of group accounting

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cash flow relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

2.5 Business combinations

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary 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 over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 Financial Instruments ("SFRS(I) 9") or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

2. Material accounting policies (continued)

2.5 Business combinations (continued)

The acquisition of subsidiaries is accounted for using the acquisition method when the acquired set of activities and assets constitute a business. When determining the acquired set of activities and assets constitute a business, the Group assesses whether the acquired set of activities and assets includes, at a minimum, an input and substantive process, which together contribute to the creation of outputs.

The Group has the option to apply a “concentration test” as a simplified assessment to determine whether an acquired set of activities and assets is not a business. The Group makes the election separately for each transaction or other event. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group determines whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share in the recognised amounts of the acquiree’s identifiable net assets. Acquisition-related costs are recognised in profit or loss as incurred and included in administrative expenses.

The acquiree’s identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 Business Combinations (“SFRS(I) 3”) are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 Non-Current Assets Held for Sale and Discontinued Operations (“SFRS(I) 5”), which are recognised and measured at the lower of cost and fair value less costs to sell.

The Group recognises any contingent consideration to be transferred for the acquiree at the fair value on the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement shall be accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

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

The acquiree’s identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 Income Taxes and SFRS(I) 1-19 Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree’s share-based payment awards are measured in accordance with SFRS(I) 2 Share-based Payment; and
- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 are measured in accordance with that Standard.

2. Material accounting policies (continued)

2.5 Business combinations (continued)

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

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group’s interest in the net 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 bargain purchase gain.

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 the carrying amount of the unit (including the goodwill), 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.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary or jointly controlled entity.

2.6 Property, plant and equipment

(a) Measurement

(i) <u>Property, plant and equipment</u>

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) <u>Components of costs</u>

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. Material accounting policies (continued)

2.6 Property, plant and equipment (continued)

(b) Depreciation

Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Factory buildings	50 years
Leasehold land	50 to 70 years r shorter of remaining leases terms and economic life
Machinery	5 to 10 years
Air conditioners	5 to 10 years
Computers	3 to 10 years
Other assets	3 to 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

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

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within “Other Income”.

2.7 Intangible assets

(a) Goodwill

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

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

Gains and losses on the disposal of subsidiaries, joint ventures and associates include the carrying amount of goodwill relating to the entity sold.

2. Material accounting policies (continued)

2.7 Intangible assets (continued)

(b) Acquired customer relationships

Customer relationships acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 7 years, which is based on the expected patter of consumption of future economic benefits embodied in the asset.

2.8 Borrowings costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2.9 Impairment of tangible and intangible assets excluding goodwill

The Group reviews the carrying amounts of its non-financial assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flow are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset’s carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

2. Material accounting policies (continued)

2.10 Investment in subsidiary corporations, associated companies and joint ventures

Investments in subsidiary corporations, associated companies and joint ventures are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.11 Financial assets

(a) *Classification and measurement*

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through profit or loss (FVPL).

The classification of debt instruments depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

<u>At initial recognition</u>

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

<u>At subsequent measurement</u>

(i) <u>Debt instrument</u>

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables, listed and unlisted debt securities.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

- FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains and losses".

2. Material accounting policies (continued)

2.11 Financial assets (continued)

(a) Classification and measurement (continued)

At subsequent measurement (continued)

(ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in “other gains and losses”, except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as “fair value gains/losses” in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as “dividend income”.

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by SFRS (I)9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on
which the Company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

2. Material accounting policies (continued)

2.12 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.13 Leases

When the Group is the lessee:

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

- Right-of-use assets

  The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

  These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

- Lease liabilities

  The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

  Lease payments include the following:
  - Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
  - Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
  - Amounts expected to be payable under residual value guarantees;
  - The exercise price of a purchase option if the Group is reasonably certain to exercise the option;
  - Lease payments to be made under an extension option if the group is reasonably certain to exercise the option; and
  - Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

  For a contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone prices of the lease and non-lease components. The Group has elected to not separate lease and non-lease components for property leases and account these as one single lease component.

2. Material accounting policies (continued)

2.13 Leases (continued)

When the Group is the lessee: (continued)

- Lease liabilities (continued)

  Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities shall be remeasured when:

  - There is a change in future lease payments arising from changes in an index or rate;
  - There is a change in the Group’s assessment of whether it will exercise an extension option; or
  - There is a modification in the scope or the consideration of the lease that was not part of the original term.

  Lease liabilities are remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short term and low value leases

  The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

- Variable lease payments

  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 shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and conditions are accounted for as follows:

(a) Fabrication of tooling, dies and related moulding of spare parts and other related businesses

- Raw materials – purchase cost is stated at the lower of cost and net realisable value. Cost is calculated using the first-in first-out method. Costs to be incurred in cost of sales according to the nature of the subsidiaries’ operations;
- Finished goods and work-in-progress – costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

(b) Manufacturing of die-casting products and plastic products

- Raw materials, spare parts and consumables – cost is stated at the lower of cost and net realisable value. Cost is calculated using the first-in first-out method; which approximates actual cost and include cost of purchase and other directly attributable costs of acquisition;

- Finished goods and work-in-progress – costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

2. Material accounting policies (continued)

2.14 Inventories (continued)

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

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

2.15 Provisions

Provisions for warranty, restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Restructuring provisions comprise employee termination payments. Provisions are not recognised for future operating losses.

The Group recognises the estimated liability to repair or replace products still under warranty at the balance sheet date. This provision is calculated based on historical experience of the level of repairs and replacements.

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.16 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

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

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period. The liability for leave expected to be settled beyond twelve months from the end of the reporting period is determined using the projected unit credit method. The net total of service costs, net interest on the liability and remeasurement of the liability are recognised in profit or loss.

2. Material accounting policies (continued)

2.16 Employee compensation (continued)

(c) Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment. A liability and expense for a termination benefits is recognised at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognises related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employment benefits, short-term employee benefits, or other long-term employee benefits.

2.17 Currency translation

(a) 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 are presented in Singapore Dollars ("SGD" or "$"), which is the functional currency of the Company.

(b) 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 exchange differences resulting 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 balance sheet date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "Finance expense". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other income".
Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2. Material accounting policies (continued)

2.17 Currency translation (continued)

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) 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 reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.18 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, demand deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.19 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

   (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   (ii) The amount of the obligation cannot be measured with sufficient reliability.

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

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

2. Material accounting policies (continued)

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.21 Borrowings

Borrowings are presented as current liabilities unless, at the end of the reporting period, the Group has the right to defer settlement of the liability for at least 12 months after the reporting period, in which case they are presented as non-current liabilities.

Covenants that the Group is required to comply with on or before the end of the reporting period are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

(a) Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(b) Convertible bonds

The total proceeds from convertible bonds issued are allocated to the liability component and the equity component, which are separately presented on the balance sheet.

The liability component is recognised initially at its fair value, determined using a market interest rate for equivalent non-convertible bonds. It is subsequently carried at amortised cost using the effective interest method until the liability is extinguished on conversion or redemption of the bonds.

The difference between the total proceeds and the liability component is allocated to the conversion option (equity component), which is presented in equity net of any deferred tax effect. The carrying amount of the conversion option is not adjusted in subsequent periods. When the conversion option is exercised, its carrying amount is transferred to the share capital. When the conversion option lapses, its carrying amount is transferred to retained profits.

2.22 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.

3. Critical accounting estimates, assumptions and judgements

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

Management is of the opinion that there are no critical judgements (other than those involving estimates) that have a significant effect on the amounts recognised in the financial statements.

3. Critical accounting estimates, assumptions and judgements (continued)

Key sources of estimation uncertainty

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

(a) Impairment of goodwill and customer relationships

As disclosed in Note 12 to the financial statements, the recoverable amount of the cash generating unit which goodwill and customer relationships have been allocated to are determined based on value-in-use calculations that were computed based on discounted cash flow model. The recoverable amount was most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions applied in the determination of the value-in-use including a sensitivity analysis, were disclosed and further explained in Note 13 to the financial statements.

The carrying amount of the Group's goodwill and customer relationships as at 31 December 2025 are S$4,526,000 and S$Nil (2024: S$12,761,000 and S$Nil) (Note 12) respectively.

(b) Measurement of ECL of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are determined based on the Group's historical observed default rated analysed in accordance to the days past due by grouping of customers based on geographical region. The expected credit losses below also incorporate forward-looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The carrying amount of the Group's trade receivables as at 31 December 2025 were approximately S$2,984,000 (2024: S$3,551,000) (Note 16).

(c) Impairment of investments in subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments are impaired or that an impairment loss recognised in prior periods may no longer exist or may have decreased. Where applicable, the Company's determination of the recoverable value is based on the estimation of the value-in-use of the applicable assets as defined in SFRS(I) 1-36 Impairment of Assets by forecasting the expected future cash flow for a period up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flow. In determining the value-in-use, the Company has considered the expected and estimated impact on the key inputs, including the discount rate and growth rate, as well as key assumptions applied. The Company's carrying amount of investments in subsidiaries as at 31 December 2025 was S$9,103,000 (2024: S$22,732,000) (Note 13).

3. Critical accounting estimates, assumptions and judgements (continued)

Key sources of estimation uncertainty (continued)

(d) Inventories written down

The Group assesses at the end of each reporting period whether there is any objective evidence that its inventories are impaired. If there is objective evidence of impairment, the amount of the loss is measured as the difference between the asset's carrying amount and the net realisable value of the asset. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The carrying amount of the Group's inventories as at 31 December 2025 was S$388,000 (2024: S$540,000) (Note 15).

(e) Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. Management estimates the useful lives of property, plant and equipment to be within 1 to 10 years. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amounts of the Group's property, plant and equipment as at 31 December 2025 were S$6,789,000 (2024: S$6,493,000) (Note 11).

(f) Provision for income taxes

The Group has exposure to income taxes in two jurisdictions of which a portion of these taxes arose from certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's income tax payable, deferred tax liabilities and tax recoverable as at 31 December 2025 were S$59,000 (2024: S$135,000), S$657,000 (2024: S$891,000) and S$103,000 (2024: S$123,000) respectively.

4. Revenue

(a) Disaggregation of revenue

The Group derives revenue from the transfer of goods and services at a point in time for the following operating segments and geographical regions. Revenue is attributed to countries by location of customers.

	Group	
	2025	**2024**
	S$'000	**S$'000**
		(Restated)
Equipment contract manufacturing services ("ECMS")		
- Asia	16,231	16,363
- North America	48	44
- Others	6	23
	16,285	16,430
Aquaculture		
- Asia	-	1,191
Total	16,285	17,621

(b) Contract liabilities

	Group		
	31 December		1 January
	2025	**2024**	**2024**
	S$'000	**S$'000**	**S$'000**
ECMS	39	68	149

Contract liabilities relate to the Group's obligation to transfer goods to customers in the ECMS Segment, for which the Group has received consideration from customers. Contract liabilities are recognised as revenue when the Group's performance obligation is satisfied.

Significant changes in contract liabilities balances during the period are as follow:

	Group	
	2025	**2024**
	S$'000	**S$'000**
Revenue recognised in current period that was included in the contract liabilities balance at the beginning of the period	68	149
Due to cash received excluding amount recognised as revenue during the year	39	68

The Group has applied the practical expedient permitted under SFRS(I) 15 for those performance obligations which are part of contracts that have an original expected duration of one year or less (i.e. mainly from manufacturing of die-casting and plastic products and fabrication assembly of parts due to the nature of the transactions). In addition, variable consideration that is constrained has not been included in the above financial information.

5. Finance expenses

	Group 2025 S$'000	Group 2024 S$'000
Interest expenses in respect of:		
- bank borrowings	87	306
- bank overdraft	63	50
- leases liabilities	25	33
- amount due to a corporate shareholder	352	469
- loans due to a shareholder	91	90
- amount due to subscribers of redeemable convertible notes	57	141
- others	204	2
Amount recognised in profit or loss	879	1,091

6. Other income

	Group 2025 S$'000	Group 2024 S$'000
Gain on settlement of payables due to ASTI Holdings Limited (Note 32(d))	3,393	-
Impairment losses on goodwill (Note 12)	(8,235)	-
Fair value loss on convertible notes	-	(87)
Currency exchange loss - net	(182)	(163)
Others	1,665	(275)
	(3,359)	(525)

7. Loss before income tax

In addition to the items disclosed elsewhere in the notes to the financial statements, loss before income tax is arrived at after taking into account the following (charges)/credits:

	Note	Group 2025 S$'000	Group 2024 S$'000
Depreciation of property, plant and equipment		1,092	875
Depreciation of right-of-use assets		165	132
Payroll expenses (including directors' salaries)	8	2,574	2,878
Professional and compliance expenses		1,016	4,590
Audit fees:			
- Auditors of the Group		150	155
- Other auditors		32	58

8. Employee benefits expense

	Group 2025 S$'000	Group 2024 S$'000
Salaries and bonuses	2,358	2,621
Employer's contribution to defined contribution plans	184	218
Other benefits	32	39
	2,574	2,878

9. Income tax expense

	Group 2025 S$'000	Group 2024 S$'000
Tax expense attributable to loss is made up of:		
Loss for the financial year:		
Current income tax		
- Singapore	29	-
- Malaysia	40	11
Deferred income tax	(45)	525
	24	536
Over-provision in prior financial years		
- Current income tax	-	(204)
	24	332

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group 2025 S$'000	Group 2024 S$'000
Loss before income tax	(5,526)	(6,051)
Tax calculated using tax rate of 17% (2024: 17%)	(939)	(1,029)
Effects of:		
- Expenses not deductible for tax purposes	1,462	895
- Income not subject to tax	(669)	(54)
- Differential tax rate of Malaysia subsidiary corporations	122	98
- Reversal of temporary difference	-	(22)
- Over provision of tax in prior financial years	-	(204)
- Tax exemption	-	(16)
Tax charge	(24)	(332)

9. Income tax expense (continued)

Deferred tax

	2025 S$'000	2024 S$'000
Deferred tax liabilities		
At 1 January	891	478
- Acquisition of subsidiaries (Note 30)	-	144
- (Credited)/charged to profit or loss	(234)	269
At 31 December	657	891
Deferred tax assets		
At 1 January	438	-
- Acquisition of subsidiaries (Note 30)	-	182
- Charged to profit or loss	189	256
At 31 December	627	438

At the end of the reporting period, there are no deferred tax liabilities on net investment in subsidiaries.

10. Loss per share

Basic and diluted loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The following tables reflect the income and share data used in the computation of basic and diluted loss per share for the financial years ended 31 December 2025 and 2024.

	Group	
	2025 S$'000	2024 S$'000 (Restated)
Loss after income tax for basic and diluted loss per share	(5,550)	(6,383)
Weighted average number of ordinary shares in issue applicable to basic and diluted loss per share ('000)	1,665,144	1,635,104

Diluted loss per share for the financial years ended 31 December 2025 and 2024 is the same as the basic loss per share because the potential ordinary shares to be converted are anti-dilutive.

11. Property, plant and equipment

Other assets comprise renovation, furniture and fittings, motor vehicles and office equipment.

Group	Freehold land* and buildings	Leasehold land and buildings	Machinery	Air conditioners	Computers	Other assets	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
			(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
Cost							
At 1 January 2024	1,072	3,630	9,976	117	381	542	15,718
Currency realignment	72	175	311	8	18	33	617
Additions	-	64	586	12	93	33	788
Disposals	-	-	(1,767)	(8)	(125)	(62)	(1,962)
At 31 December 2024	1,144	3,869	9,106	129	367	546	15,161
Currency realignment	46	147	196	5	-	-	394
Additions	8	18	1,018	5	17	137	1,203
Disposals	(2)	-	(430)	-	(9)	-	(441)
At 31 December 2025	1,196	4,034	9,890	139	375	683	16,317
Accumulated depreciation and impairment loss							
At 1 January 2024	259	452	7,694	107	330	522	9,364
Currency realignment	18	(234)	411	7	14	32	248
Charge for the year (Note 7)	14	68	740	7	35	11	875
Disposals	-	-	(1,624)	(8)	(125)	(62)	(1,819)
At 31 December 2024	291	286	7,221	113	254	503	8,668
Currency realignment	13	12	154	4	-	-	183
Charge for the year (Note 7)	16	275	907	9	62	(177)	1,092
Disposals	(1)	-	(405)	-	(9)	-	(415)
At 31 December 2025	319	573	7,877	126	307	326	9,528
Net book value							
At 31 December 2025	877	3,461	2,013	13	68	357	6,789
At 31 December 2024	853	3,583	1,885	16	113	43	6,493

* Includes freehold land of a subsidiary corporation located in Malaysia at cost of S$376,000 (2024: $362,000), the movement pertains to currency realignment.

11. Property, plant and equipment (continued)

Company	**Computers** S$'000
Cost	
At 1 January 2024	-
Additions	13
At 31 December 2024	13
Additions	3
At 31 December 2025	16
Accumulated depreciation	
At 1 January 2024	-
Charge for the year	2
At 31 December 2024	2
Charge for the year	2
At 31 December 2025	4
Net book value	
At 31 December 2025	12
At 31 December 2024	11

12. Intangible assets

Group	**Customer relationships** S$'000	**Website** S$'000	**Website and software under development** S$'000	**Goodwill** S$'000 (Restated)	**Total** S$'000 (Restated)
Cost					
At 1 January 2024	1,607	-	-	1,462	3,069
Acquisition of a subsidiary corporation (Note 30)					
- Recognised provisionally	-	-	-	19,407	19,407
- Adjustment based on purchase price allocation	-	-	-	(6,649)	(6,649)
Additions	-	-	55	-	55
At 31 December 2024	1,607	-	55	14,220	15,882
Acquisition of a subsidiary corporation (Note 30)	-	-	-	3	3
Additions	-	-	129	-	129
Transfers	-	4	(4)	-	-
At 31 December 2025	1,607	4	180	14,223	16,014
Accumulated amortisation					
At 1 January and 31 December 2024	1,168	-	-	-	1,168
Amortisation charge	-	-*	-	-	-*
At 31 December 2025	1,168	-*	-	-	1,168
Accumulated impairment					
At 1 January and 31 December 2024	439	-	-	1,462	1,901
Impairment charge	-	-	-	8,235	8,235
At 31 December 2025	439	-	-	9,697	10,136
Net book value					
At 31 December 2025	-	4	180	4,526	4,710
At 31 December 2024	-	-	55	12,758	12,813

* less than S$1,000

12. Intangible assets (continued)

Website and software under development

Software under development relates to mobile application for shrimp farm monitoring being developed under the Group's Aquaculture segment. No amortisation was recognised during the financial years ended 31 December 2024 and 2025, as the application was not yet available for use and remained under development as at 31 December 2025.

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to business segments.

A segment-level summary of the goodwill allocation is as follows:

	2025 S'000	2024 S'000
Aquaculture	4,526	12,758

The recoverable amount of a CGU was determined based on value-in-use. Cashflow projects used in value-in-use calculations were based on financial budgets approved by management covering a five-year period.

	2025 %	2024 %
Revenue growth rate	7.0 - 148.1	23.6 - 81.8
Gross profit margin	0 – 28.1	46.3 - 59.9
Pre-tax discount rate	13.27	12.18 - 13.84
Terminal growth rates	2.0	1.5 - 2.5

Key assumptions used in the value-in-use calculations

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

(a) Budgeted gross margins are based on past performance and management's expectation of market developments.

(b) Budgeted sales growth and terminal growth rate is based on industry growth forecasts and not exceeding the average long-term growth rate of the business segment which the CGU operates in.

(c) Pre-tax discount rate is based on the discounted rates were pre-tax and reflected specific risks relating to the business segments which the CGU operates in.

During the year an impairment charge of S$8,235,000 (2024: S$Nil) relates to the difference between the carrying value of the Group's aquaculture cash generating units against their value-in-use as at 31 December 2025.

12. Intangible assets (continued)

Non-SFRS(I) Measure: Intangible Assets Valuation

The Company provides the following disclosures on its intangible assets for information purpose.

According to a report finalized and signed on 15 September 2025 by an independent valuer ("IP Valuer") that specializes in the valuation of intellectual property, the fair market value of intellectual property rights of Lim Shrimp Organization Limited, a 50% held subsidiary of LSO Organization Holdings Pte. Ltd., which is in turn a wholly owned subsidiary of the Company, comprising of the its "LSO" Trademark and assessed on a going-concern basis and its associated technology-related intangible assets, namely proprietary aquaculture systems, standard operating procedures (SOPs), and technical know-how, assessed under the assumption of finite economic benefits, should fall within the ranges of US$8.00 million to US$13.95 million and US$71.66 million to US$94.77 million, respectively, in accordance with "the guidelines and standards set in the IP Valuation Model (IPVM) published by the Malaysian Intellectual Property Corporation (MyIPO), the International Valuation Standards (IVS) as set by the International Valuation Standards Council (IVSC)", as at 31 July 2024.

In an earlier valuation report, the same IP Valuer had concluded that the fair market value of the intellectual property rights of Lim Shrimp Organization Limited, in particular Trademark "LSO" and "Other Intangible Assets" such as "Know-How and Human Capital" which operated under the scenario of a Going Concern basis as at 22nd October 2023 should be within the range of USD2.37 million to USD5.63million for Trademark "LSO" and USD 20.95 million to USD40.28 million for Other Intangible Assets respectively, as at 22 October 2023.

The "LSO" Trademark and Other Intangible Assets such as "Know-How and Human Capital", including associated technology-related intangible assets, namely proprietary aquaculture systems, standard operating procedures (SOPs), and technical know-how, do not meet the criteria for recognition on balance sheet in accordance with SFRS(I) 1-38 Intangible Assets, which specifically precludes the recognition of internally generated brands, trademarks and similar items as intangible assets."

The recoverable amount of the aquaculture CGU used for the assessment of goodwill impairment is based on specific criteria and methodology different from that applied in the valuation of intellectual property rights by the IP Valuer.

This disclosure, including the valuations referred to above, has not been audited or reviewed by the Company's auditors, and the Company's auditors express no assurance in relation to the fair market values disclosed.

13. Investments in subsidiaries

	31 December 2025 S$'000	31 December 2024 S$'000 (Restated)	1 January 2024 S$'000
Equity investment at cost			
1 January	25,660	13,422	13,422
Additions	-	12,238	-
31 December	25,660	25,660	13,422
Accumulated impairment			
1 January	2,928	2,928	2,928
Impairment charges	13,629	-	-
31 December	16,557	2,928	2,928
Net book value	9,103	22,732	10,494

13. Investments in subsidiaries (continued)

During the year, management had performed impairment assessment on certain subsidiaries which had been loss-making. The recoverable amount of Yumei Group CGU and LSO Group CGU had been determined based on the value-in-use calculations using a cash flow projection from financial budget approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow projections beyond the five-year period is as stated in Note 12. Based on the assessment of the subsidiaries' historical and current performances, the estimated values and probability of future cash flows, management had made an impairment charge of S$13,629,000 (2024: S$Nil) in the current financial year.

	LSO Group	**Yumei Group**
	%	**%**
Revenue growth rate	7.0 - 148.1	2.3 – 21.0
Gross profit margin	0 – 28.1	1.9 – 23.0
Pre-tax discount rate	13.27	9.0 – 11.0
Terminal growth rates	2.0	0.9 – 1.4

Name of the entity	**Principal activities**	**Country of business/ incorporation**	**Proportion of ownership interest held by the Company**	
			2025	**2024**
			%	**%**
Held by the Company				
Emerald Precision Engineering Sdn Bhd (2)	Fabrication of tooling, dies and related moulding of spare parts and other related businesses	Malaysia	**100**	100
Pioneer Venture Pte Ltd (1)	Contract manufacturing solutions of fabricated metal products	Singapore	**100**	100
Yumei Technologies Sdn Bhd (2)	Manufacturing of die-casting products and plastic products	Malaysia	**100**	100

13. Investments in subsidiaries (continued)

The Group has the following subsidiaries as at 31 December 2025 and 2024: (continued)

Name of the entity	Principal activities	Country of business/ incorporation	Proportion of ownership interest held by the Company 2025 %	Proportion of ownership interest held by the Company 2024 %
Held by the Company				
Yumei REIT Sdn Bhd (2)	Investment holdings	Malaysia	**100**	100
LSO Organization Holdings Pte Ltd (3)	Aquaculture management	Singapore	**100**	100
Lim Shrimp Organization Limited (4)	Development, operation and management of aquaculture assets and other related services	British Virgin Islands	**50**	50
Held by Lim Shrimp Organization Limited				
Lim Shrimp Org Sdn. Bhd. (5), (7)	Development, operation and management of aquaculture assets and other related services	Malaysia	**50**	50
LSO Pacific Pte. Ltd. (6), (7)	Aquaculture operations, investment, and aquaculture technology and services	Singapore	**50**	-

(1) Audited by CLA Global TS Public Accounting Corporation, Singapore.
(2) Audited by Jinho and Partners PLT for FY2025 and Robert Mengkwai & Loo PLT for FY2024, and reviewed by CLA Global TS Public Accounting Corporation, Singapore for consolidation purposes.
(3) Acquired on 2 August 2024 and audited by Trust Audit PAC.
(4) Not required to be audited under the laws of the country of incorporation. For the purposes of preparing the consolidated financial statements of the Group, these financial statements have been audited by CLA Global TS Public Accounting Corporation, Singapore.
(5) Incorporated on 23 October 2024 and audited by Jinho and Partners PLT.
(6) Acquired on 18 December 2025 and audited by S.O.Liang & Co.
(7) The subsidiary corporations were dormant during the financial years ended 31 December 2025 and 2024.

14. Inventories

	Group 2025 S$'000	Group 2024 S$'000
Statement of financial position		
Raw materials	53	49
Work-in-progress	227	334
Finished goods (at lower of cost and net recognised value)	108	157
	388	540

	Group 2025 S$'000	Group 2024 S$'000
Consolidated statement of profit or loss		
Inventories recognised as an expense in cost of sales	152	269
Inclusive of the following credit:		
- Reversal of write-down of inventories	(2)	(10)

The reversal of write-down of inventories was made when the related inventories were sold above their carrying amounts in the following financial year.

15. Trade and other receivables

	Group 31 December 2025 S$'000	Group 31 December 2024 S$'000 (Restated)	Group 1 January 2024 S$'000
Trade receivables			
- Third parties	5,310	5,229	2,193
Less: loss allowance	(2,326)	(1,678)	(22)
	2,984	3,551	2,171
Other receivables			
- Deposits	60	39	50
- Bridging loan	-	-	2,016
- Other receivables	387	461	149
	447	500	2,215
Total trade and other receivables	3,431	4,051	4,386

15. Trade and other receivables (continued)

	Company 31 December 2025 S$'000	Company 31 December 2024 S$'000
Other receivables		
- Amounts due from subsidiaries	1,282	1,024
- Deposits	19	-
- Other receivables	45	121
Total other receivables	1,346	1,145

Trade receivables are non-interest bearing and are generally settled within 30 to 90 days (2024: 30 to 90 days) credit terms. They are recognised at their original invoice amounts which represent their fair value on initial recognition.

The amounts due from subsidiaries are unsecured, interest-free, repayable on demand and are to be settled in cash.

The details of the impairment of trade and other receivables and credit exposures are disclosed in Note 26.

	Group 2025 S$'000	Group 2024 S$'000
United Stated Dollar	1,589	1,589
Ringgit Malaysia	1,078	1,291

16. Prepayments and advances

	Group 2025 S$'000	Group 2024 S$'000	Company 2025 S$'000	Company 2024 S$'000
Prepayments	42	53	8	34
Advances	80	10	-	-
	122	63	8	34

Advances relate mainly to advance payments made to suppliers of goods and professional services.

17. Cash and cash equivalents

	Group 2025 S$'000	Group 2024 S$'000	Company 2025 S$'000	Company 2024 S$'000
Cash and bank balances	2,560	4,733	93	1,292

17. Cash and cash equivalents (continued)

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

	Group		Company	
	2025	2024	2025	2024
	S$'000	S$'000	S$'000	S$'000
Cash and bank balances (as above)	2,560	4,733	93	1,292
Bank overdraft (Note 21)	(1,102)	(745)	-	-
	1,458	3,988	93	1,292

Cash and cash equivalents denominated in foreign currencies as at 31 December 2025 and 2024 are as follows:

	Group		Company	
	2025	2024	2025	2024
	S$'000	S$'000	S$'000	S$'000
United Stated Dollar	851	664	2	2
Ringgit Malaysia	67	245	-	-

Cash at banks earns interest at floating rates based on daily bank deposit rates.

18. Trade and other payables

	Group		
	31 December 2025	31 December 2024	1 January 2024
	S$'000	S$'000 (Restated)	S$'000
Current			
Trade payables	2,864	2,811	665
Other creditors	1,297	1,266	301
Deferred cash settlement	1,020	1,462	1,597
Loans due to a shareholder	1,200	800	400
Amount due to a related party	375	304	318
Amount due to a former corporate shareholder	1,000	1,000	1,893
Reclassified from redeemable convertible notes (Note 19)	2,485	2,485	-
Amount due to a former director	-	322	-
Accrued operating expenses	3,013	1,803	1,801
	13,254	12,253	6,975
Non-current			
Deferred consideration	4,090	4,583	-
Loans due to a shareholder	515	825	1,649
Amount due to a former corporate shareholder	5,000	8,586	9,116
	9,605	13,994	10,765
Total trade and other payables	22,859	26,247	17,440

18. Trade and other payables (continued)

	Company		
	31 December 2025 S$'000	**31 December 2024 S$'000** (Restated)	**1 January 2024 S$'000**
Current			
Trade payables	-	-	11
Other creditors	1,467	1,207	274
Deferred cash settlement	1,020	1,462	1,597
Loans due to a shareholder	1,200	800	400
Amounts due to subsidiaries	1,979	1,689	1,235
Amount due to a related party	-	-	318
Amount due to a former corporate shareholder	1,000	1,000	1,886
Reclassified from redeemable convertible notes (Note 19)	2,485	2,485	-
Amount due to a former director	-	322	330
Accrued operating expenses	1,007	585	329
	10,158	9,550	6,380
Non-current			
Deferred consideration	4,090	4,583	-
Loans due to a shareholder	515	825	1,649
Amount due to a former corporate shareholder	5,000	8,586	9,116
	9,605	13,994	10,765
Total trade and other payables	19,763	23,544	17,145

Trade payables

Trade payables are non-interest bearing. Trade payables are normally settled on 30 – 120 days (2024: 30 – 120 days) credit terms.

Deferred cash settlement

This relates to an amount owing to Mr. Seah Chong Hoe, a shareholder, director and Chief Executive Officer of the Company, arising from the acquisition of subsidiaries during the financial year ended 31 December 2018. Mr Seah ceased to be a director and Chief Executive Office of the Company during the financial year ended 31 December 2025. The amount is interest free, unsecured and repayable on demand.

Loans due to a shareholder

Loans due to a former shareholder of the Company are unsecured, bears a fixed interest rate of 5% (2024: 5%) per annum and repayable by yearly instalments, with the final instalment due in 2028.

Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, interest-free, repayable on demand and are to be settled in cash except for an outstanding balance of S$400,000 (2024: S$400,000), which bears interest at floating rates ranging from 4.25% to 4.73% (2024: 5.69% to 5.90%) per annum and is repriced on a quarterly basis.

18. Trade and other payables (continued)

Amount due to a related party

Amount due to a related party is unsecured, interest-free, repayable on demand and is to be settled in cash.

Amount due to a former corporate shareholder

For the financial year ended 31 December 2025, the amount to an external party is unsecured and repayable by annual instalments, with the final instalment due in 2030 (Note 32(d).

For the financial year ended 31 December 2024, the amount due to an external party comprise an interest-free and unsecured balance of S$1,192,000 and an interest-bearing balance of S$8,394,000, which bore floating interest rates ranging from 5.69% to 5.90% per annum and was repriced on a quarterly basis. The amount due to an external party is repayable by yearly instalments, with the final instalment due in 2029.

Amount due to a former director

The amount due to a former director is unsecured, interest-free, repayable on demand and is to be settled in cash.

Deferred consideration

Deferred consideration represents the outstanding purchase consideration payable to the Vendors in connection with the acquisition of LSO Organization Holdings Pte. Ltd. and its subsidiaries. The deferred consideration is unsecured and interest free.

Trade and other payables denominated in foreign currencies as at 31 December 2025 and 2024 are as follows:

	Group	
	2025	2024
	S$'000	S$'000
Ringgit Malaysia	874	704

19. Convertible notes

On 24 October 2023, the Company entered into a subscription agreement of the 5% redeemable convertible notes with an aggregate nominal value of up to S$20,000,000 comprising three tranches, wherein the first tranche (“T1”) and second tranche (“T2”) comprise of a principal amount of S$2,500,000 each and third tranche ("T3”) comprise of a principal amount of S$15,000,000, subjected to the approval by shareholders.

On 31 October 2023, the Company drew down the T1 of the 5% redeemable convertible note amounting to S$2,500,000. The T1 were unsecured, interest bearing at 5% per annum on the outstanding nominal value of the T1 and shall cease to bear interest on (a) conversion into shares; (b) the date of redemption of such notes; or (c) on maturity date, and are payable quarterly in arrears.

On 18 June 2024, the Company and the investor had mutually agreed to cancel T3 due to the conditions precedent for issuance of T3 had not been met.

On 25 and 26 July 2024, pursuant to the exercise of Conversion Rights by the notes holder under the T1 notes, the Company allotted and issued 43,103,448 and 30,172,413 new ordinary shares (“Conversion Shares”) respectively, in satisfaction of an aggregate principal value of S$1,000,000 and S$700,000 respectively of the T1 notes converted. The applicable conversion price was arrived at taking 80% of the average volume-weighted average price per share of 3 consecutive Business Days. The Conversion Shares rank pari passu in all respects with and carry all rights similar to existing Ordinary Shares.

On 30 July and 1 August 2024, the Company drew down the T2 5% of the redeemable convertible note amounting to S$1,000,000 each respectively. The T2 were unsecured, interest bearing at 5% per annum on the outstanding nominal value of the T2 and shall cease to bear interest on (a) conversion to shares; (b) the date of redemption of such notes; or (c) on maturity date, and are payable in quarterly arrears.

On 5 August 2024, pursuant to the exercise of Conversion Rights by the notes holder under the T1 notes, the Company allotted and issued 23,474.178 new ordinary shares (“Conversion Shares”), in satisfaction of an aggregate principal value of S$500,000 of the T1 notes converted. The applicable conversion price was arrived at taking 80% of the average volume-weighted average price per share of 3 consecutive Business Days. The Conversion Shares rank pari passu in all respects with and carry all rights similar to existing ordinary shares.

The T1 and T2 entitles the notes holder to convert them into ordinary shares of the Company at any time between the date of issue of the T1 and T2 and up to the close of business on the day falling seven days prior to the maturity date. The conversion price shall be 90% of the average volume-weighted average price per share for the preceding 5 Business Days to the relevant Conversion Date of T1 and T2 on which shares were traded on the Stock Exchange of Singapore.

The Company may at any time and from time to time, redeem the issued T1 and T2 at 115% of the principal amount of the outstanding Notes, together with all accrued interest, or such other amount as may be agreed between the Company and the noteholder.

T1 must be converted by the noteholder on the date falling 12 months from the closing date of T1 with the maximum number of shares that T1 can be converted are 5,581,031,514 shares on a pre-consolidated basis prior to completion of the Proposed Share Consolidation pursuant to the General Mandate.

T2 must be converted by the noteholder on the T1 and T2 maturity date which falls 12 months from the closing date of T1 with the maximum number of shares that T1 and T2 can be converted are 11,162,063,029 shares on a pre-consolidated basis prior to the Proposed Share Consolidated pursuant to the General Mandate.

19. Convertible notes (continued)

The T1 and T2 contains two components, debt component and embedded derivative (including conversion and early redemption options) component. The Group designated the T1 and T2 as financial liabilities, through fair value profit or loss as a whole.

The T1 and T2 Maturity Date was 31 October 2024, and accordingly the contractual conversion rights expired on that date. The subscription agreement does not provide for automatic conversion upon maturity, and any unconverted notes become repayable in cash together with accrued interest. Accordingly, the conversion option expired, unexercised and ceased to exist before the reporting date. The notes comprised only a financial liability representing the outstanding principal and accrued interest as at 31 December 2024 and 2025. Consequently, there was no embedded conversion derivative requiring separate recognition or fair value measurement at either reporting date and the notes have been reclassified to other payables (Note 18).

On 8 April 2025, the Company entered into a Deed of Termination to terminate the subscription agreement dated 24 October 2023 entered between the Company and the investor in relation to the unconverted T1 and T2 notes. As at the date of the Deed of Termination, there remained expired T1 and T2 notes amounting to S$2,300,000 that had been subscribed for and unconverted by the noteholder.

On 15 October 2025, the Company entered into a debt settlement agreement with the investor for the settlement of the outstanding debt amounting to S$2,300,000 arising from the expired T1 and T2 notes. Subsequently on 14 November 2025, the Company, received a letter agreement from the investor, wherein the investor in good faith, agreed not to demand for the immediate payment of the debt from the Company, and refrain from instituting, pursuing or enforcing any legal proceedings or demands in relation to the debt, pending the Company's satisfaction of the conditions precedents under an amended and restated subscription agreement bit not limited to obtaining the approval from the SGX RegCo in relation, with an extended fulfilment date on or before 3 February 2026.

The movement of the redeemable convertible loan notes for the year is set out as below:

	Group and Company
	2024
	S$'000
As at 1 January	2,587
Redemption of redeemable convertible notes	(2,200)
Drawdown of redeemable convertible notes	2,000
Fair value loss	98
Reclassified to other payables (Note 18)	(2,485)
As at 31 December	-

20. Leases

Group as a lessee

The Group has lease contracts for various items of machinery and premises used in its operations which generally have lease terms between 1 to 3 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

There are several lease contracts that include extension and termination options, which are further discussed below.

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

Group	Machinery S$'000	Leasehold properties S$'000	Total S$'000
Cost			
At 1 January 2024	382	382	764
Currency realignment	26	137	163
Additions	-	333	333
Expired	-	(44)	(44)
At 31 December 2024	408	808	1,216
Additions	-	80	80
At 31 December 2025	408	888	1,296
Accumulated depreciation			
At 1 January 2024	56	213	269
Currency realignment	5	(26)	(21)
Charge for the year	17	115	132
Expired	-	(17)	(17)
At 31 December 2024	78	285	363
Charge for the year	50	113	163
At 31 December 2025	128	398	526
Net book value			
At 31 December 2025	280	490	770
At 31 December 2024	330	523	853

Lease liabilities

	Group 2025 S$'000	Group 2024 S$'000
Lease liabilities		
- Current	67	36
- Non-current	92	333
	159	369

20. Leases (continued)

The maturity analysis of lease liabilities is disclosed in Note 26(c).

Group as a lessee (continued)

The following are the amounts recognised in profit or loss.

	Group	
	2025	**2024**
	S$'000	**S$'000**
Depreciation of right-of-use assets	165	132
Interest expense on lease liabilities	25	33

The total cash outflow for leases during the financial year ended 31 December 2025 is S$235,000 (2024: S$235,000).

21. Loans and borrowings

	Group	
	2025	**2024**
	S$'000	**S$'000**
Current		
Bank overdraft - secured	1,102	745
Trust receipts - secured	-	164
Secured loan	245	487
	1,347	1,396
Non-current		
Secured loan	983	1,017
	983	1,017
Total loans and borrowings	2,330	2,413

Bank overdrafts

Bank overdraft is denominated in Malaysian Ringgit, bears floating interest rate at 0.50% (2024: 0.50%) above the bank's base lending rate from time to time and is secured over certain properties of the Group.

Secured loan

(a) The term loan is repayable in monthly instalments, bears fixed interest rate at 4.76% (2024: 4.76%) and matures in 2027. The loan is secured by the following:

(i) by way of fixed charge over the leasehold land and building of a related company;

(ii) by joint and several guarantee of certain directors of a related company; and

(iii) by corporate guarantee from a related company.

(b) The term loan is repayable in monthly instalments, bears fixed interest rate at 4.55% (2024: 4.55%) and matures in 2043. The loan is secured by corporate guarantee by the Company.

21. Loans and borrowings (continued)

Unsecured loan

(a) A term loan repayable by monthly instalments, bears fixed interest rate at 8.00% (2024: 8.00%) and matures in 2027.

(b) A term loan repayable by monthly instalments, bears fixed interest rate at 7.75% (2024: not applicable) and matures in 2030.

Mr. Seah Chong Hoe (former director and Chief Executive Officer of the Company) provided guarantees for all above unsecured term loans.

22. Share capital

Group and Company	Number of ordinary shares '000	Amount S$'000
As at 1 January 2024	**22,324,126**	**148,841**
65-to-1 share consolidation	(21,980,681)	
Redemption of convertible notes via issuance of share (Note 19)	73,276	1,700
Shares issued pursuant to completion of acquisition of LSO Organization Holdings Pte. Ltd. and its subsidiaries		
- Consideration shares	184,615	4,430
- Introducer shares	15,385	1,000
- ZICAP Shares	7,692	500
- ILAW Shares	6,154	400
Redemption of convertible notes via issuance of share (Note 19)	23,474	500
Allotment of Rights Shares	981,062	4,906
As at 31 December 2024 (as restated)	**1,635,103**	**162,277**
Exercise of warrants	30,041	90
As at 31 December 2025	**1,665,144**	**162,367**

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

On 27 November 2024, the Company obtained shareholders' approval at an extraordinary general meeting for a proposed renounceable, non-underwritten rights cum warrants issue (the "Rights Cum Warrants Issue") of up to 1,093,521,189 new ordinary shares (the "Shares") in the capital of the Company (the "Rights Shares") at an issue price of S$0.005 for each Rights Share (the "Issue Price"), and with up to 729,014,126 free detachable warrants (the "Warrants"), each Warrant carrying the right to subscribe for one (1) new ordinary Share (the "Warrant Share") at an exercise price of S$0.003 for each Warrant Share (the "Exercise Price"). As at 31 December 2025, 624,000,546 Warrants remained outstanding, which, if fully exercised, would result in the issuance of 624,000,546 new ordinary shares.

Save as disclosed above, the Company did not have any other outstanding convertible instruments as at 31 December 2025 and 2024.

The Company did not have any treasury shares or subsidiary holdings during the financial year and as at 31 December 2025 and 2024.

23. Other reserves

(a) Merger reserve

Merger reserve represents the difference between the consideration paid and the net assets of a subsidiary restructured under common control in prior financial years.

(b) Foreign currency translation reserve

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

24. Financial guarantees

The Company has issued financial guarantees to banks for guarantees granted to its subsidiaries. The Company has assessed the fair values of these financial guarantees and determined that the consequential liabilities arising from its guarantees to the bank in respect of the subsidiaries are minimal, with no default in the credit facilities granted.

As at the reporting date, the total amount of loans outstanding covered by the guarantees was approximately S$895,000 (2024: S$795,000). Such guarantees are in the form of a financial guarantee as they require the Company to reimburse the respective banks if the respective subsidiaries to which the guarantees were extended, fail to make principal or interest repayments when due in accordance with the terms of the borrowings. There has been no default or non-repayment since the utilisation of the banking facilities.

25. Related party transactions

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 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); or
(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.

25. Related party transactions (continued)

In addition to the information disclosed elsewhere in the financial statements, the following significant related party transactions took place between the Group and the Company with their related parties at rates and terms agreed between the parties:

	Group		Company	
	2025 S$'000	**2024 S$'000**	**2025 S$'000**	**2024 S$'000**
Transactions with a partially owned subsidiary with common substantial shareholders and a common director				
- Interest bearing loans to subsidiary	295	500	295	500
- Interest income due from subsidiary	31	*	31	*
- Payments made on behalf of subsidiary	38	-	38	-
Transactions with a substantial shareholder				
- Interest expense accrued	(44)	(89)	(44)	(89)
Transactions with a senior advisor, substantial shareholder and indirect shareholder of a partially owned subsidiary				
- Payment of deferred consideration	(150)	-	(150)	-
- Loans by related party to partially owned subsidiary	(21)	(60)	-	-
- Rental of office, provision of support services	(139)	(31)	(49)	(5)
- Service fees	(176)	(44)	(85)	(14)
- Prepayment and deposits	23	3	9	-
Transactions with a director, substantial shareholder and direct shareholder of a partially owned subsidiary				
- Payment of deferred consideration	(150)	-	(150)	-
- Interest income from bridging loan	-	59	-	-
- Loans by related party to partially owned subsidiary	(29)	(160)	-	-
- Advances by partially subsidiary to associates of related party	32	19	-	-
- Loans from associate of related party	(8)	-	-	-
- Services provided by associate of related party	(1)	-	-	-
Transactions with a subsidiary director and indirect shareholder of subsidiary				
- Payment of deferred consideration	(150)	-	(150)	-
- Loans by related party to partially owned subsidiary	(21)	(30)	-	-
- Service fees owing / paid by partially owned subsidiary	(29)	(10)	-	-

25. Related party transactions (continued)

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

26. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses financial instruments such as currency forwards, interest rate swaps and foreign currency borrowings to hedge certain financial risk exposures.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Financial Risk Management Committee ("FRMC") then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

Financial risk management is carried out by a central treasury department ("Group Treasury") in accordance with the policies set by the FRMC. The dealing team of Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The reporting team of Group Treasury measures actual exposures against the limits set and prepares daily reports for review by the Heads of Group Treasury and each operating unit. Regular reports are also submitted to the FRMC and the Board of Directors.

26. Financial risk management (continued)

(a) Market risk

Currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily United States Dollar ("USD") and Malaysian Ringgit ("MYR"). The Group's and the Company's trade receivable and trade payable balances at the end of the reporting period have similar exposures.

The carrying amounts of the Group's and Company's major foreign currency denominated monetary assets and liabilities as at the end of the financial year are as follows:

	Group		Company	
	2025	**2024**	**2025**	**2024**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Monetary assets				
United Stated Dollar	2,440	2,253	2	2
Ringgit Malaysia	1,145	1,536	-	-
	3,585	3,789	2	2
Monetary liabilities				
Ringgit Malaysia	2,658	2,267	-	-
Net monetary liabilities	927	1,522	2	2

Sensitivity analysis for foreign currency risk

The following table details the sensitivity to a 5% (2024: 5%) increase or decrease in the relevant foreign currencies against SGD 5% (2024: 5%) is the sensitivity rate representing management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% (2024: 5%)

	Profit or loss	
Group	**2025**	**2024**
	S$'000	**S$'000**
United Stated Dollar	122	113
Ringgit Malaysia	76	37

26. Financial risk management (continued)

(b) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk arises mainly from bank balances, trade and other receivables and other debt instruments carried at amortised cost. Bank balances are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies and the Group does not expect the impairment loss from bank balances to be material, if any.

To assess and manage its credit risk, the Group categorises the aforementioned financial assets and contract assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, and/or where contractual payments are 90 days past due as per SFRS(I) 9's presumption.

The Group has not rebutted the presumption included in SFRS(I) 9 that there has been a significant increase in credit risk since initial recognition when financial assets are more than 30 days past due.

The Group's exposure to credit risk is mainly influenced by the individual characteristics of each customer. The Group has established credit limits for each customer under which these customers are analysed for credit worthiness before the Group's standard payment, and delivery terms are offered. The Group's reviews include external ratings, where available and in some cases bank references. Customers that fail to meet the Group's benchmark are only allowed to transact with the Group on a prepayment or cash basis. Most of the customers have been with the Group for many years and losses have occurred infrequently. The Group does not require collateral in respect of trade and other receivables.

Most of the customers have been with the Group for many years and losses have occurred infrequently. The Group does not require collateral in respect of trade and other receivables.

The Group's internal credit risk grading categories are as follows:

Category	Description	Basis of recognising ECL
1	Low credit risk [Note 1]	12-months ECL
2	Non-significant increase in credit risk since initial recognition and financial asset is ≤ 30 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition [Note 2] or financial asset is > 30 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired [Note 3]	Difference between financial asset's gross carrying amount and present value of estimated future cash flow discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount [Note 4]	Written off

26. Financial risk management (continued)

(b) Credit risk (continued)

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

In assessing the significance of the change in the risk of default, the Group considers both past due (i.e. whether it is more than 30 days past due) and forward looking quantitative and qualitative information.

Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates based on independently obtained information (e.g. expert reports, analyst's reports etc.) and the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are > 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Note 3. Credit impaired

In determining whether financial assets are credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cash flow of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 90 days past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for the financial asset because of financial difficulties.

26. Financial risk management (continued)

(b) Credit risk (continued)

Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cash flow to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Group does not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics other than the geographical location of their operations.

As at the end of the financial year, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

Trade receivables (Note 15)

The Group uses the practical expedient under SFRS(I) 9 in the form of allowance matrix to measure the ECL for trade receivables, where the loss allowance is equal to lifetime ECL.

The Group provides for lifetime expected credit losses for all trade receivables, using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region. The expected credit losses below also incorporate forward-looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

Summarised below is the information about the credit risk exposure on the Group's trade receivables relating to continuing operations using provision matrix, grouped by geographical region:

31 December 2025	**Current S$'000**	**More than 30 days S$'000**	**More than 60 days S$'000**	**More than 90 days S$'000**	**Total S$'000**
Expected credit loss rates	0.90%	0.00%	68.40%	32.40%	
Trade receivables (Gross amount)	1,761	305	725	2,519	5,310
Loss allowance provision	16	-	-	2,310	2,326
31 December 2024					
Expected credit loss rates	0.90%	0.00%	68.40%	32.40%	
Trade receivables (Gross amount)	1,761	305	725	2,462	5,229
Loss allowance provision	16	-	-	1,662	1,678

26. Financial risk management (continued)

(b) Credit risk (continued)

Other receivables (Note 15)

As of 31 December 2025, the Group and the Company recorded other receivables of S$387,000 and S$45,000 (2024: S$461,000 and S$121,000) respectively. The Group and the Company assessed the impairment loss allowance of these amounts on a 12-month ECL basis consequent to their assessment and conclusion that these receivables are of low credit risk. In its assessment of the credit risk of these third parties, the Group considered amongst other factors, the financial position of the third parties as of 31 December 2025, the past financial performance and cash flow trends, adjusted for the outlook of the industry and economy in which the third parties operate in. Using 12-month ECL, the Group and the Company assessed the ECL is insignificant. As of 31 December 2025, no impairment loss has been recognised as the Group was not expecting to be able to collect the outstanding balance from a third party customer.

Amounts due from subsidiaries (Note 15)

As of 31 December 2025, the Company recorded amounts due from subsidiaries of S$1,282,000 (2024: S$1,024,000). The Company assessed the impairment loss allowance of these amounts on a 12-month ECL basis consequent to its assessment and conclusion that these amounts are of low credit risk. In its assessment of the credit risk of these subsidiaries, the Company considered the financial position of the subsidiaries as of 31 December 2025, the past financial performance and cash flow trends, adjusted for the outlook of the industry and economy in which the subsidiaries operate in. Using a 12-month ECL, the Company determined that the ECL is insignificant.

26. Financial risk management (continued)

(b) Credit risk (continued)

The movement in the loss allowance during the financial year and the Group's exposure to credit risk in respect of the trade and other receivables are as follows:

Group	**Trade receivables**			**Other receivables**		
Internal credit risk grading	**Note (i)**	**Category 4**	**Total**	**Category 1**	**Category 4**	**Total**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Loss allowance						
At 1 January 2024						
Impairment loss recognised	1,656		1,656			
Write-off of receivables						
At 31 December 2024	1,678		1,678			
Impairment loss recognised	648		648			
Write-off of receivables						
At 31 December 2025	2,326		2,326			
Gross carrying amount						
At 31 December 2024	5,229		5,229	560		560
At 31 December 2025	5,310		5,310	47		47
Net carrying amount						
At 31 December 2024	3,551		3,551	560		560
At 31 December 2025	2,984		2,984	47		47

Note (i): For trade receivables, the Group uses the practical expedient under SFRS(I) 9 in the form of an allowance matrix to measure the ECL, where the loss allowance is equal to lifetime ECL.

26. Financial risk management (continued)

(b) Credit risk (continued)

Company **Internal credit risk grading**	**Other receivables** **Category 1** **S$'000**	 **Category 4** **S$'000**	 **Total** **S$'000**
Loss allowance			
At 1 January 2024 and 31 December 2024 and at 31 December 2025	-	-	-
Gross carrying amount			
At 31 December 2024	1,145	-	1,145
At 31 December 2025	1,346	-	1,346
Net carrying amount			
At 31 December 2024	1,145	-	1,145
At 31 December 2025	1,346	-	1,346

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the geographical profile of its trade debtors on an on-going basis. The credit risk concentration profile of the Group's trade debtors at the date of statement of financial position is as follows:

	Group			
	2025		**2024**	
	S$'000	**%**	**S$'000**	**%**
Malaysia	1,357	38.2	1,357	38.2
Singapore	1,137	32.0	1,137	32.0
Other Southeast Asia	1,042	29.3	1,042	29.3
America	11	0.3	11	0.3
China	6	0.2	6	0.2
Europe	0	0.0	0	0.0
	1,357	38.2	3,553	100.0

Exposure to credit risk

At the date of statement of financial position, the Group's and the Company's exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

There is no significant credit risk exposure faced by the Group and the Company in 2025 and 2024.

26. Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group'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. The Group monitors its liquidity risk and is currently dependent on its cash flow generated from operations and if necessary, advances from its holding company and shareholders to support its working capital. The Group also ensures availability of bank credit lines to address any short-term funding requirement.

At the end of the reporting period, approximately 58% (2024: 50%) of the Group's loans and borrowings will mature in less than one year based on the carrying amount reflected in the financial statements.

Contractual maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial assets and financial liabilities at the end of the reporting period based on the contractual undiscounted repayment obligations:

	Effective interest rate	Less than 1 year	Between 1 and 5 years	Total
	%	S$'000	S$'000	S$'000
Group				
2025				
Undiscounted financial assets				
Trade and other receivables	-	3,431	-	3,431
Cash and cash equivalents	-	2,560	-	2,560
		5,991	-	5,991
Undiscounted financial liabilities				
Trade and other payables	5.00 – 6.34	13,254	9,605	22,859
Lease liabilities	1.87 – 5.71	67	92	159
Loans and borrowings	0.75 – 9.88	1,347	983	2,330
		14,668	10,680	25,348
Total net undiscounted financial liabilities		(8,677)	(10,680)	(19,357)

26. Financial risk management (continued)

(c) Liquidity risk (continued)

Contractual maturity analysis (continued)

The table below summarises the maturity profile of the Group's financial assets and financial liabilities at the end of the reporting period based on the contractual undiscounted repayment obligations (continued):

	Effective interest rate %	Less than 1 year S$'000	Between 1 and 5 years S$'000	Total S$'000
Group				
2024				
Undiscounted financial assets				
Trade and other receivables	-	4,051	-	4,051
Cash and cash equivalents	-	4,733	-	4,733
		8,784	-	8,784
Undiscounted financial liabilities				
Trade and other payables	5.00 – 6.34	12,253	13,994	26,247
Lease liabilities	1.87 – 5.71	36	333	369
Loans and borrowings	0.75 – 9.88	1,396	1,017	2,413
		13,685	2,604	16,289
Total net undiscounted financial liabilities		(4,901)	(2,604)	(7,505)

26. Financial risk management (continued)

(c) Liquidity risk (continued)

Contractual maturity analysis (continued)

The table below summarises the maturity profile of the Company's financial assets and financial liabilities at the end of the reporting period based on the contractual undiscounted repayment obligations:

	Effective interest rate %	Less than 1 year S$'000	More than 1 year S$'000	Total S$'000
Company				
2025				
Undiscounted financial assets				
Trade and other receivables	-	1,346	-	1,346
Cash and cash equivalents	-	93	-	93
		1,439	-	1,439
Undiscounted financial liabilities				
Trade and other payables	6.25 - 6.34	10,158	9,605	19,763
Total net undiscounted financial liabilities		(8,719)	(9,605)	(18,324)
2024				
Undiscounted financial assets				
Trade and other receivables		1,145	-	1,145
Cash and cash equivalents		1,292	-	1,292
		2,437	-	2,437
Undiscounted financial liabilities				
Trade and other payables	6.25 - 6.34	9,550	13,994	23,544
Total net undiscounted financial liabilities		(7,113)	(13,994)	(21,107)

26. Financial risk management (continued)

(c) Liquidity risk (continued)

Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

	Group		Company	
	2025 S$'000	2024 S$'000	2025 S$'000	2024 S$'000
Financial assets at amortised cost				
Trade and other receivables	3,431	4,051	1,346	1,145
Cash and bank balances	2,560	4,733	93	1,292
	5,991	8,784	1,439	2,437
Financial liabilities at amortised cost				
Lease liabilities	159	369	-	-
Loans and borrowings	2,330	2,413	-	-
Trade and other payables	22,859	26,247	19,763	23,544
	25,348	29,029	19,763	23,544

27. Fair values of financial assets and financial liabilities

The Group and the Company categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

(a) Level 1 - the fair values of assets and liabilities with standard terms and conditions and which trade in active markets that the Group and the Company can access at the measurement date are determined with reference to quoted market prices (unadjusted).

(b) Level 2 - in the absence of quoted market prices, the fair values of the assets and liabilities are determined using the other observable, either directly or indirectly, inputs such as quoted prices for similar assets/liabilities in active markets or included within Level 1, quoted prices for identical or similar assets/liabilities in non-active markets.

(c) Level 3 - in the absence of quoted market prices included within Level 1 and observable inputs included within Level 2, the fair values of the remaining assets and liabilities are determined in accordance with generally accepted pricing models.

27. Fair values of financial assets and financial liabilities (continued)

Fair value measurements that use inputs or different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(a) Except as disclosed in Note 27(b) below, the carrying amounts of the other financial instruments in the statement of financial positions approximate their respective fair values as they are short term in nature and/or subjected to frequent repricing (floating rates). Fair value measurements that use inputs or different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value as the interest rates are fixed.

	Group	
	Carrying amount	Fair value
	S$'000	S$'000
2025		
Financial liabilities:		
Loans due to a shareholder (Note 18)	1,715	1,860
Loans and borrowings	2,016	2,185
2024		
Financial liabilities:		
Loans due to a shareholder (Note 18)	1,625	1,762
Loans and borrowings	2,413	2,614

Level 3

In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable input under level 3 of fair value hierarchy, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The management reports the findings to the directors at the end of each reporting period to explain the cause of fluctuations in the fair value.

28. Capital management policies and objectives

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholders value. The Group and the Company monitors its monthly cash flow and also manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may issue new shares. No changes were made in the objectives, policies and processes during the years ended 31 December 2025 and 2024.

The Group and the Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group and the Company includes within net debt, loans and borrowings, lease liabilities and trade and other payables, less cash and cash equivalents. Capital includes equity attributable to the owners of the Company.

28. Capital management policies and objectives (continued)

	Group		Company	
	2025	2024	2025	2024
	S$'000	S$'000	S$'000	S$'000
Loans and borrowings (including bank overdraft)	2,330	2,413	-	-
Lease liabilities	159	369	-	-
Trade and other payables	22,859	26,247	19,763	23,544
Less: Cash and cash equivalents	(2,560)	(4,733)	(93)	(1,292)
	22,788	24,296	19,670	22,252
Equity	(6,603)	(16)	(9,201)	1,670
Capital and net debt	16,185	24,280	10,469	-
Gearing ratio	141%	100%	188%	-

The Group and the Company is in compliance with externally imposed capital requirements for the financial years ended 31 December 2025 and 2024.

29. Segment information

For management purposes, the Group is organised into business units based on their products and services. The reportable segments are the Equipment Contract Manufacturing Services ("ECMS") segment, which is mainly engaged in precision engineering and fabrication assembly of parts for both semiconductor and non-semiconductor industries and Aquaculture segment, a newly added business to the Group during second half of FY2024, which is principally engaged in management and operations of, and the technology licensing of operational know-how and expertise to, aquaculture farms.

No operating segments have been aggregated to form the above reportable operating segment.

Management monitors the operating results of its business as a whole for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Transfer prices between operating and other segments are on an arm's length basis in a manner similar to transactions with third parties.

29. Segment information (continued)

	ECMS		Aquaculture		Corporate expenses		Adjustment and elimination		Consolidated total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
12-months ended	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Revenue:										
- External sales	16,281	16,124	7	974	-	-	-	-	16,288	17,098
- Inter-segment sales (Note A)	3,159	3,527	-	-	-	-	(3,159)	(3,527)	-	-
	19,440	19,651	7	974	-	-	(3,159)	(3,527)	16,288	17,098
EBITDA (Note B)	2,878	2,696	(1,515)	(987)	(235)	(2,856)	(1,468)	(1,919)	(340)	(3,066)
Impairment of intangible assets (goodwill)	-	-	-	-	(14,062)	-	-	-	(14,062)	-
Depreciation on property, plant & equipment	(954)	(875)	(1)	-	(2)	(2)	-	-	(957)	(877)
Depreciation on right-of-use assets	(4)	(132)	-	-	-	-	-	-	(4)	(132)
Finance costs	(186)	(157)	(33)	(2)	(363)	(1,698)	21	25	(560)	(1,833)
Interest income	19	38	-	-	-		-		19	38
Profit/(loss) before tax	1,754	1,569	(1,549)	(989)	(14,662)	(4,556)	(1,447)	(1,894)	(15,904)	(5,870)
Income tax expense	(374)	(434)	243	167	-	-	-	-	(131)	(267)
Segment results	1,380	1,135	(1,306)	(822)	(14,662)	(4,556)	(1,447)	(1,894)	(16,035)	(6,137)
Other information:										
Additions to non-current assets	1,674	687	335	354	(13,161)	13,173	(2,198)	889	(13,350)	15,103
Segment assets	17,138	16,398	1,048	1,714	11,932	25,710	(15,576)	(12,687)	14,542	31,135
Segment liabilities	1,712	1,835	3,971	3,444	23,098	23,388	440	1,611	29,221	30,278

A. Inter-segment revenues are eliminated on consolidation.
B. Elimination of unrealised gains and losses arising from inter-segment transactions.
C. The operation for this segment is in Singapore and Malaysia.
D. The operation for this segment is in Indonesia.

30. Business combinations

(a) Acquisition of LSO Organization Holdings Pte. Ltd. (“LSO OHPL”), which holds Lim Shrimp Organization Ltd. (“LSO BVI”) and LSO BVI held Lim Shrimp Org Sdn. Bhd (“LSOSB”) as its subsidiary corporations (collectively, the “LSO Group”)

On 2 August 2024 ("Completion Date"), the Company completed the acquisition from Mr Lim Chen Chong, Ms Lim Yu, Victoria and Structured Capital Solutions Inc. (collectively, the “Vendors”) of 100% equity interest of LSO Group.

The principal activity of LSO Group is that of aquaculture management. As a result of the acquisition, the Group is expected to benefit from opportunities within the aquaculture industry, enabling it to capture growth trends and support efforts to turn around the Group’s loss-making position. Combined with a positive business outlook, the acquisition may contribute to potential growth in the Company’s market capitalisation, increased investor interest, and, consequently, an improvement in the trading liquidity of the Company’s shares.

Details of the consideration paid, the assets acquired and liabilities assumed, and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(i) Purchase consideration

	Provisional S$’000	Adjusted S$’000
Share consideration	12,000	4,431
Deferred consideration	6,000	5,847
Bridging loan	2,000	2,000
Settlement of pre-existing relationship	-	(40)
Total consideration	20,000	12,238

(ii) Effect on cash flows of the Group

	Provisional S$’000	Adjusted S$’000
Cash and bank balances in subsidiary corporation acquired equivalent to cash inflow on acquisition	5	5

30. Business combinations (continued)

(a) Acquisition of LSO Organization Holdings Pte. Ltd. ("LSO OHPL"), which holds Lim Shrimp Organization Ltd. ("LSO BVI") and LSO BVI held Lim Shrimp Org Sdn. Bhd ("LSOSB") as its subsidiary corporations (collectively, the "LSO Group") (continued)

(iii) Identifiable assets acquired and liabilities assumed

	Provisional value S$'000	**Adjusted at fair value S$'000**
Cash and bank balances	5	5
Trade and other receivables (Note (v) below)	450	245
Deferred income tax assets	-	182
Total assets	455	432
Trade and other payables	(1,236)	(1,245)
Deferred income tax liabilities	-	(144)
Total liabilities	(1,236)	(1,389)
Total identifiable net liabilities	(781)	(957)
Less: Settlement of pre-existing relationship	-	(40)
Add: Non-controlling interest at fair value	-	477
Add: Goodwill (Note 12)	19,407	12,758
Consideration transferred for the business	18,626	12,238

(iv) Acquisition-related costs

The Group did not incur any acquisition-related costs in respect of the acquisition of LSO Group.

(v) Acquired receivables

The fair value of trade and other receivables is S$450,000 and include trade receivables with a fair value of S$189,000.

(vi) Goodwill

The Group had recognised a provision goodwill of S$19,407,000 from the acquisition of LSO Group in financial year ended 31 December 2024. The goodwill subsequently has been adjusted to $12,758,000 in the final independent valuation report.

(vii) Revenue and contribution

The acquired business contributed revenue of S$1,176,000 and net loss of S$591,000 to the Group from the period from 2 August 2024 to 31 December 2024.

Had LSO Group been acquired from 1 January 2024, consolidated revenue and consolidated loss for the financial year ended 31 December 2024 would have been S$2,077,000 and S$2,712,000 respectively.

30. Business combinations (continued)

(a) Acquisition of LSO Organization Holdings Pte. Ltd. ("LSO OHPL"), which holds Lim Shrimp Organization Ltd. ("LSO BVI") and LSO BVI held Lim Shrimp Org Sdn. Bhd ("LSOSB") as its subsidiary corporations (collectively, the "LSO Group") (continued)

(viii) Accounting of the acquisition of LSO Group

The acquisition of LSO Group was completed during the financial year ended 31 December 2024. The purchase price allocation of the acquisition of LSO Group in the financial year ended was provisional. The Group has engaged an independent valuer to determine the fair value of the assets acquired and the independent valuation report has subsequently been finalised in financial year ended 31 December 2025. At the reporting date, the fair value of the purchase consideration of LSO Group and the fair value of total identifiable net liabilities, which have been determined as the final result of the independent valuation was S$11,230,000 and S$957,000 respectively. Goodwill arising from this acquisition, the carrying amount of deferred income tax assets and liabilities, has been adjusted retrospectively.

(b) Acquisition of LSO Pacific Pte. Ltd. ("LPPL")

On 17 December 2025, the Group completed the acquisition of 100% of the equity interest in LSO Pacific Pte. Ltd. for a total cash consideration of S$3.

LSO Pacific Pte. Ltd. was dormant at the acquisition date and had no material assets or liabilities. Following the acquisition, it became a wholly owned subsidiary of the Group.

The acquisition did not have a material effect on the Group's financial position, financial performance or cash flows. Accordingly, the detailed financial effects of the acquisition have not been separately disclosed.

Details of the consideration paid, the assets acquired and liabilities assumed, and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(i) Purchase consideration

	S$'000
Cash paid equivalent to consideration transferred for the business (Note (b) below)	*

* less than S$1,000

(ii) Effect on cash flows of the Group

	S$'000
Cash paid (as above)	*
Less: Cash and bank balances in subsidiary corporation acquired equivalent to cash inflow on acquisition	2
Cash inflow on acquisition	2

30. Business combinations (continued)

(b) Acquisition of LSO Pacific Pte. Ltd. ("LPPL") (continued)

(iii) Identifiable assets acquire and liabilities assumed

	At fair value S$'000
Cash and bank balances	2
Other receivables	7
Total assets	9
Other payables	(12)
Total liabilities	(12)
Total identifiable net liabilities	(3)
Add: Goodwill	3
Consideration transferred for the business	*

* less than S$1,000

(iv) Acquisition-related costs

The Group did not incur any acquisition-related costs in respect of the acquisition of LPPL.

(v) Goodwill

The Group recognised a goodwill of S#,000 arising from the acquisition of LPPL.

(vi) Revenue and contribution

The acquired business is dormant with no revenue and contributed net loss of S$1,000 to the Group from the period from 18 to 31 December 2025.

Had LPPL been acquired from 1 January 2025, consolidated loss for the financial year ended 31 December 2025 would have been $5,000.

(vii) Accounting for the acquisition of LPPL

The fair value of the assets and liabilities was determined by management, as the assets and liabilities acquired did not involve significant judgement as the fair values are carried at amortised cost approximate their carrying amounts.

31. Comparative figures

Certain comparative figures have been adjusted retrospectively as a result of the following:

(a) Finalisation of the purchase price allocation ("PPA") exercise for the acquisition of LSO Group

The acquisition of LSO Group was completed in the financial year ended 31 December 2024. In accordance with SFRS(I) 3 Business Combinations, the fair values of the identifiable net assets and liabilities assumed were initially recognised on a provisional basis, as the Group had not, as at the date of the prior reporting period finalised the PPA exercise. As at the date of the current reporting period, the PPA exercise has been completed. The comparative figures as at 31 December 2024 have been restated to reflect the finalised fair values of the identifiable assets and liabilities for LSO Group as at acquisition date, as permitted under SFRS(I) 3 as disclosed in Note 30(a) to the financial statements.

(b) Resolution to the limitation of scope for the Contributions of LSO Group

In the current financial period, necessary supporting information has been obtained to determine that the assets and liabilities of LSO Group were appropriately measured and recognised at the acquisition date. The relative comparative figure has been restated in the consolidated statement of consolidated statement of financial position of the Group as at 31 December 2024, the consolidated statement of comprehensive income, consolidated statement of changes equity and consolidated statement of cash flows of the Group for the year then ended.

(c) Consolidation adjustments

Other than the matters described in *(a)* and *(b)* above, certain other adjustments arising in respect of the Group's consolidation adjustments were reflected in the consolidated statement of financial position of the Group as at 31 December 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended. However, these adjustments have not been fully substantiated with sufficient supporting information.

32. Events subsequent to the reporting date

(a) Debt-to-Equity Swap Agreement

On 31 December 2025, the Company entered into a conditional debt-to-equity swap agreement ("Debt-Equity Swap Agreement") with Advance Opportunities Fund I ("AOF I"), an existing shareholder and noteholder of the Company, pursuant to which AOF I agreed to subscribe for 555,555,555 new ordinary shares in the capital of the Company ("Settlement Shares") at an issue price of S$0.0036 per share, in full and final satisfaction of S$2,000,000 of debt owed by the Company to AOF I.

Upon completion, the Settlement Shares will represent approximately 25.02% of the Company's enlarged share capital, and AOF I will become a controlling shareholder of the Company. The remaining balance of the debt owed to AOF I (S$300,000 in principal, plus accrued interest of S$307,109 as at 31 December 2025) will continue to be owed by the Company and will accrue interest at 5% per annum from 1 January 2026

Completion of the proposed debt-to-equity swap is subject to a number of conditions precedent, including approval-in-principle from the SGX-ST and approval of shareholders at an extraordinary general meeting to be convened.

32. Events subsequent to the reporting date (continued)

(a) Debt-to-Equity Swap Agreement (continued)

Subsequent to the reporting date, the Company and AOF I have twice mutually agreed to extend the deadline for fulfilment of the conditions precedent:

- On 12 March 2026, the long stop date was extended from 31 March 2026 to 30 June 2026;
- On 22 June 2026, the long stop date was further extended from 30 June 2026 to 15 August 2026; and
- On 18 August 2026, the long stop date was further extended from 15 August 2026 to 31 October 2026.

As these conditions have not been satisfied as at the date these financial statements were authorised for issue, the proposed debt-to-equity swap has not been completed.

(b) Proposed Disposal of LSO Organization Holdings Pte. Ltd.

On 30 January 2026, subsequent to the reporting date, the Company entered into a conditional sale and purchase agreement ("SPA") with PT Sumber Mas Konstruksi Tbk ("Purchaser"), a company listed on the Indonesia Stock Exchange, pursuant to which the Company will dispose of 100% of the issued and paid-up share capital of LSO Organization Holdings Pte. Ltd. ("Target"), a wholly-owned subsidiary of the Company principally engaged in aquaculture farm management, operations, and related technology licensing ("Proposed Disposal").

The aggregate consideration for the Proposed Disposal is up to S$13,000,000, to be satisfied in full by the issuance of new shares by the Purchaser ("Consideration Shares") pursuant to a proposed rights issue by the Purchaser to be completed no later than 30 June 2027. The final consideration amount, the issue price per Consideration Share, and the number of Consideration Shares to be issued have not been fixed as at the date these financial statements were authorised for issue, and will be determined based on an independent valuation of the Target Group to be obtained by the Company.

As the SPA had not yet been executed and remained subject to numerous conditions precedent, shareholder approval, and regulatory clearances. Accordingly, the assets and liabilities of the Target Group have not been reclassified or presented separately as held for sale in these financial statements, and no adjustment has been made to their carrying amounts as a result of the Proposed Disposal.

(c) Dispute with Zico Capital Pte. Ltd.

Subsequent to the reporting date, the Company received a series of demands from Zico Capital Pte. Ltd. ("ZICAP"), the Company's previous continuing sponsor, in relation to fees allegedly owing under engagement agreements for continuing sponsorship services and financial advisory services rendered in connection with the Company's acquisition of LSO Organization Holdings Pte. Ltd.

On 6 March 2026, the Company received a letter of demand from ZICAP for payment of S$627,708 (including interest). Subsequently, on 1 July 2026, the Company received a statutory demand from solicitors acting for ZICAP for a revised sum of S$643,534 (including interest), failing payment of which ZICAP indicated it would commence winding-up proceedings against the Company. The Company disputed the validity of the claim and, on 17 July 2026, appointed legal counsel to contest the statutory demand and oppose any winding-up proceedings that might be commenced.

32. Events subsequent to the reporting date (continued)

(c) Dispute with Zico Capital Pte. Ltd. (continued)

The Company disputes the claim made by ZICO Capital Pte. Ltd. (“ZICAP”) under the statutory demand. The Company has commenced proceedings against ZICAP in the General Division of the High Court of the Republic of Singapore under Suit No. HC/OC 642/2026, seeking damages of approximately S$6.79 million, together with interest, arising from alleged breaches of duty by ZICAP in its capacity as the Company’s continuing sponsor and financial adviser.

Pending the determination of the Suit, the Company has also applied for an interim injunction to restrain ZICAP from commencing winding-up proceedings against the Company based on the statutory demand. ZICAP disputes the Company’s claims and has indicated that it will not commence winding-up proceedings pending the Court’s determination of the injunction application. The injunction application has been fixed for hearing on 31 August 2026. As at the date of this report, the proceedings remain before the High Court and their ultimate outcome cannot be determined with certainty.

The Board is of the view that, notwithstanding this dispute, the Group and the Company will continue to operate as a going concern, and that the ultimate outcome of this matter cannot be reliably estimated as at the date these financial statements were authorised for issue.

(d) Settlement of Legal Proceedings with ASTI Holdings Limited

As disclosed in the Group's financial statements for the financial year ended 31 December 2024, the Company had been engaged in a legal dispute with ASTI Holdings Limited ("ASTI") in relation to loans and corporate services alleged to be owing to ASTI, culminating in the commencement of Suit No. HC/OC 839/2025 by ASTI against the Company for an aggregate sum of approximately S$9,873,139, together with the Company's cross-claims against ASTI. As at 31 December 2025, this matter remained unresolved and outstanding.

Subsequent to the reporting date, on 30 March 2026, the Company and ASTI entered into a settlement agreement ("Settlement Agreement") in full and final settlement of all claims and counterclaims arising out of or in connection with the Suit. Pursuant to the Settlement Agreement, the Company agreed to pay ASTI an aggregate sum of S$6,000,000, payable in five instalments from 1 July 2026 to 1 July 2030, as follows:

Instalment	**Payment Date**	**Amount (S$)**
1st	1 July 2026	1,000,000
2nd	1 July 2027	1,500,000
3rd	1 July 2028	1,500,000
4th	1 July 2029	1,000,000
5th	1 July 2030	1,000,000

32. Events subsequent to the reporting date (continued)

(d) Settlement of Legal Proceedings with ASTI Holdings Limited

Under the Settlement Agreement, each instalment payment is subject to a cure period upon default (seven days, save for the first instalment which is subject to a three-week cure period), failing which ASTI is entitled to claim an escalating default amount corresponding to the relevant instalment milestone, ranging from S$9,800,000 (in the event of default on the first instalment) down to S$1,000,000 (in the event of default on the fifth instalment), together with interest accruing from the date of default.

Subsequent to 31 December 2025, the Company requested, and on 25 June 2026 was granted, an extension of time for payment of the first instalment, such that S$300,000 (30% of the first instalment) remains due on 1 July 2026, with the balance of S$700,000 payable by 1 August 2026. All other terms of the Settlement Agreement remain unchanged. Subsequently the Company further requested, in which ASTI consented to a further extension and variation in relation to the payment of the balance S$700,000 pursuant to which the Company paid the sum of S$305,000 (which included agreed legal costs contribution of S$5,000) on 31 July 2026 and the balance S$400,000 together with agreed interest of S$3,271 payable by 1 September 2026.

(e) Incorporation and/or Acquisition of Indirect Subsidiary Corporations

On 22 July 2026, Lim Shrimp Organization Limited (“LSO BVI”) incorporated a wholly owned subsidiary corporation, LSO Aquaculture Technology Pte. Ltd. (“LSO AT”) in Singapore. LSO BVI holds 100% of the issued share capital of LSO AT, resulting in the Company having an effective indirect interest of 50%. The aggregate consideration for the incorporation of LSO AT was S$1, which was satisfied by LSO BVI and funded from its internal resources. The net asset value attributable to the relevant interest as at 25 August 2026 was approximately S$1. The principal activity of LSO Aquaculture Technology Pte. Ltd. is that of holding companies of firms that provide aquaculture consultancy services to companies engaged in non-financial and insurance activities.

On 22 July 2026, LSO BVI also incorporated a wholly owned subsidiary corporation, LSO Aquaculture Technology (China) Limited (“LSO AT (China)”) in the People’s Republic of China. LSO BVI holds 100% of the issued share capital of LSO AT (China), resulting in the Company having an effective indirect interest of 50%. The registered share capital of CNY50,000 is to be contributed by LSO BVI in cash via telegraphic transfer and funded from its internal resources. The net asset value attributable to the relevant interest as at 25 August 2026 was approximately CNY Nil. The principal activities of LSO Aqua Technology (China) Limited are to provide consultancy services and promote acquaculture technology and applications in the People’s Republic of China.

33. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published and are relevant for the Group's accounting periods beginning on or after 1 January 2026 and which the Group has not early adopted.

(a) **Amendments to SFRS(I) 9 and SFRS(I) 7 - Amendments to the Classification and Measurement of Financial Instruments** (effective for annual reporting periods beginning on or after 1 January 2026)

SFRS(I) 9 and SFRS(I) 7 are amended to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;

- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;

- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and

- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

(b) **SFRS(I) 18 - Presentation and Disclosure in Financial Statements** (effective for annual reporting periods beginning on or after 1 January 2027)

SFRS(I) 18 replaces SFRS(I) 1-1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance (comprising of the statement of profit or loss and other comprehensive income) and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of SFRS(I) 18 will have no impact on the group's net profit, the group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the group has performed, the following items might potentially impact operating profit:

  - Foreign exchange differences currently aggregated in the line item' other income and other gains/(losses) – net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

33. New or revised accounting standards and interpretations (continued)

(b) **SFRS(I) 18 - Presentation and Disclosure in Financial Statements** (effective for annual reporting periods beginning on or after 1 January 2027) (continued)

Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified: (continued)

- SFRS(I) 18 has specific requirements on the category in which derivative gains or losses are recognised – which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the group currently recognises some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognised, and the group is currently evaluating the need for change.

• The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.

• The group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

  - management-defined performance measures;

  - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and

  - for the first annual period of application of SFRS(I) 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying SFRS(I) 18 and the amounts previously presented applying SFRS(I) 1-1.

• From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with SFRS(I) 18.

33. New or revised accounting standards and interpretations (continued)

(b) **SFRS(I) 19 - Subsidiaries without Public Accountability: Disclosures** (effective for annual reporting periods beginning on or after 1 January 2027)

SFRS(I) 19 allows for certain eligible subsidiaries of parent entities that report under SFRS(I) Accounting Standards to apply reduced disclosure requirements. This new standard works alongside other SFRS(I). An eligible subsidiary applies the requirements in other SFRS(I) except for the disclosure requirements; and it applies instead the reduced disclosure requirements in SFRS(I) 19.

SFRS(I) 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with SFRS(I) Accounting Standards.

The Group does not expect this standard to have an impact on its operations or financial statements.

34. Authorisation of financial statements

These financial statements were authorised for issued in accordance with a resolution of Board of Directors of Advanced Systems Automation Limited on 25 August 2026.

Appendix 3

ADVANCED SYSTEMS AUTOMATION LIMITED

STATISTICS OF SHAREHOLDINGS

STATISTICS OF SHAREHOLDINGS

As at 3 August 2026

1. Number of Equity Securities : 1,714,649,419
   Class of Equity Securities : Ordinary shares
   Voting Rights : One vote per ordinary share

   The Company does not have any treasury shares and subsidiary holdings.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	4,026	58.21	73,357	0.01
100 - 1,000	1,314	19.00	376,366	0.02
1,001 - 10,000	770	11.13	3,098,202	0.18
10,001 - 1,000,000	694	10.03	102,418,761	5.97
1,000,001 AND ABOVE	113	1.63	1,608,682,733	93.82
TOTAL	**6,917**	**100.00**	**1,714,649,419**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	263,197,619	15.35
2	KOH YEW CHOO	207,757,489	12.12
3	LOH SOON GNEE	170,940,170	9.97
4	LIM YU VICTORIA	153,846,155	8.97
5	LIM KHAI MING JOSH	80,120,966	4.67
6	LEE SU HUI LENA	76,923,076	4.49
7	PHILLIP SECURITIES PTE LTD	73,422,025	4.28
8	WONG CHIN KION	50,000,000	2.92
9	DBS NOMINEES (PRIVATE) LIMITED	43,572,888	2.54
10	TIGER BROKERS (SINGAPORE) PTE. LTD.	24,281,348	1.42
11	LIM CHEN CHONG OR CHEN PEI LING CATHERINE	23,725,186	1.38
12	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	21,305,975	1.24
13	EVONNE KOH(XU YI FAN)	20,000,000	1.17
14	WONG WOON HOW	15,000,000	0.87
15	IFAST FINANCIAL PTE. LTD.	14,241,747	0.83
16	SOH SENG LYE	13,000,000	0.76
17	LIM & TAN SECURITIES PTE LTD	11,791,979	0.69
18	LEE TAI SOON	11,770,669	0.69
19	YIM YEUK KING CLAIRE	11,323,027	0.66
20	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	10,754,028	0.63
	TOTAL	**1,296,974,347**	**75.65**

PERCENTAGE OF SHAREHOLDINS IN PUBLIC'S HANDS

Based on the information available to the Company as at 3 August 2026, 52.21% of the total number of issued ordinary shares of the Company is held by the public. Therefore, Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited is complied with.

SUBTANTIAL SHAREHOLDERS AS RECORDED IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholder	Direct Interest	%	Deemed Interest	%	Total Interest	Total %
Koh Yew Choo[(1)]	207,757,489	12.12	38,917,833	2.27	246,675,322	14.39
Loh Soon Gnee	170,940,170	9.97	-	-	170,940,170	9.97
Lim Yu Victoria	153,846,155	8.97	-	-	153,846,155	8.97

Note:

(1) Ms Koh Yew Choo holds 38,917,833 shares in the Company in her nominee accounts with CGS International Securities Singapore Pte Ltd, Phillip Securities Pte Ltd and OCBC Securities Pte Ltd.

2. Number of Equity Securities : 574,500,524
   Class of Equity Securities : Warrants
   Voting Rights : Nil

DISTRIBUTION OF WARRANT HOLDINGS

SIZE OF WARRANT HOLDINGS	NO. OF WARRANTHOLDERS	%	NO. OF WARRANTS	%
1 - 99	93	18.64	3,839	0.00
100 - 1,000	21	4.21	10,954	0.00
1,001 - 10,000	160	32.06	758,164	0.13
10,001 - 1,000,000	190	38.08	20,222,211	3.52
1,000,001 AND ABOVE	35	7.01	553,500,300	96.35
TOTAL	**499**	**100.00**	**574,495,468**	**100.00**

TWENTY LARGEST WARRANT HOLDERS

NO.	NAME	NO. OF WARRANTS	%
1	KOH YEW CHOO	91,967,792	16.01
2	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	71,687,328	12.48
3	LOH SOON GNEE	68,376,068	11.90
4	LIM CHEN CHONG OR CHEN PEI LING CATHERINE*	61,538,460	10.71
5	LIM WEE BENG EDDIE**	51,005,806	8.88
6	OCBC SECURITIES PRIVATE LIMITED	34,775,999	6.05
7	DBS NOMINEES (PRIVATE) LIMITED	26,355,505	4.59
8	PHILLIP SECURITIES PTE LTD	17,763,726	3.09
9	LYE KOON MOY	15,399,766	2.68

10	HUANG YI	14,600,000	2.54
11	TEH KAH CHAN	11,510,100	2.00
12	CHUA LAY HONG	8,025,894	1.40
13	TAN JUN HAO (CHEN JUNHAO)	7,888,800	1.37
14	ONN ENG SIONG (WENG YONGXIONG)	7,515,766	1.31
15	OH CHEE BENG	7,013,194	1.22
16	TOH KOON HWA	7,000,000	1.22
17	KGI SECURITIES (SINGAPORE) PTE. LTD	6,005,839	1.05
18	YIM YEUK KING CLAIRE	5,746,017	1.00
19	YEO BOON KHENG	5,100,000	0.89
20	CHAN CHEE WING	4,173,999	0.73
	TOTAL	**523,450,059**	**91.12**

Note:
*Mr Lim Chen Chong is a Non-Independent and Non-Executive Director of the Company.
**Mr Lim Wee Beng Eddie is a Senior Advisor of the Company.

Appendix 4

ADVANCED SYSTEMS AUTOMATION LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

ADVANCED SYSTEMS AUTOMATION LIMITED
(Company Registration No. 198600740M)
(Incorporated in the Republic of Singapore with limited liability)

NOTICE IS HEREBY GIVEN that the Fortieth Annual General Meeting of Advanced Systems Automation Limited (the "**Company**") will be held at 16 Kallang Place, #03-02, Singapore 339156 on **Friday, 11 September 2026 at 10:00 a.m.** for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2025, together with the Auditors' Report thereon.
(Resolution 1)

2. To re-elect Ms. Gan Shiying, Sonia, who is retiring pursuant to Regulation 88 of the Constitution of the Company and who, being eligible, offer herself for re-election as a Director of the Company.
[See Explanatory Note (i)] **(Resolution 2)**

3. To re-elect Mr Lim Chen Chong, who is retiring pursuant to Regulation 89 of the Constitution of the Company and who, being eligible, offer himself for re-election as a Director of the Company.
[See Explanatory Note (ii)] **(Resolution 3)**

4. To approve the payment of Directors' fees of S$176,000 for the financial year ended 31 December 2025 (2024: S$150,000).
(Resolution 4)

5. To note CLA Global TS Public Accounting Corporation not seeking re-appointment as Auditors of the Company.
[See Explanatory Note (iii)]

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution as Ordinary Resolution, with or without any modifications:

7. AUTHORITY TO ALLOT AND ISSUE SHARES

That pursuant to Section 161 of the Companies Act 1967 of Singapore and Rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), the Directors of the Company be authorised and empowered 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 Sharesto be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force.

PROVIDED ALWAYS THAT:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution but excluding Shares which may be issued pursuant to any adjustments effected under any relevant Instrument), does not exceed 100 per cent of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings, as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution but excluding Shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed 50 per cent of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings, as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage 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 date of the passing of this Resolution, after adjusting for:

    (a) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and outstanding or subsisting at the time when this Resolution is passed, provided that the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

    (b) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in a general meeting), the authority conferred by this Resolution shall continue in force (i) 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; or (ii) in the case of Shares to be issued in pursuance of the Instruments, or made or granted pursuant to this Resolution, until the issuance of such Shares in accordance with the terms of the Instruments.
[See Explanatory Note (iv)] **(Resolution 5)**

By Order of the Board

Ng Li Yong

Company Secretary
Singapore, 27 August 2026

EXPLANATORY NOTES

(i) Ms. Gan Shiying, Sonia will, upon re-election as a Director of the Company, remain as the Chief Operating Officer and an Executive Director of the Company. She will be considered non-independent by the Board for the purpose of Rule 704(7) of the Catalist Rules.

(ii) Mr Lim Chen Chong will, upon re-election as a Director of the Company, remain as a Non-Independent and Non-Executive Director of the Company, and a member of the Audit, Nominating and Remuneration Committees. He will be considered non-independent by the Board for the purpose of Rule 704(7) of the Catalist Rules.

(iii) CLA Global TS Public Accounting Corporation ("CLA") will not seek re-appointment as auditors of the Company upon their retirement for the ensuing financial year ending 31 December 2026. Accordingly, CLA will cease to be auditors of the Company following the conclusion of the AGM to be held on 11 September 2026. The Company is in the midst of identifying a suitable audit firm and will actively seek to appoint new auditors in place of CLA not more than three (3) months after the date of resignation of CLA to comply with the requirement under Section 205AF(1) of the Companies Act 1967 of Singapore. The Company will make further announcement(s) when the new auditors have been identified, and in relation to the convening of the extraordinary general meeting to obtain shareholders' approval for the appointment of the new auditors in due course.

(iv) The Ordinary Resolution 5 in item 7 above, if passed, will empower the Directors of the Company, and will be effective 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 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, as follows:

(a) in any *pro-rata* issue of Shares, up to a number not exceeding, in total, 100 per cent of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings); and

(b) in any issue of Shares other than on a *pro-rata* basis, up to a number not exceeding 50 per cent of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings).

For determining the aggregate number of Shares that may be issued, the percentage of issued Shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the date this Resolution is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and outstanding or subsisting at the time when this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

Notes:

1. **The Fortieth Annual General Meeting of the Company ("AGM") will be held in a wholly physical format. There will be no option for members to participate in the AGM by electronic means**. Printed copies of this Notice of AGM, the accompanying instrument appointing a proxy or proxies ("**Proxy Form**") and the Notification and Request Form will be sent by post to members. **<u>No printed copies of the Company's Annual Report 2025 will be sent to members</u>**. Members who wish to receive a printed copy of the Annual Report 2025 to be sent to an address in Singapore by ordinary post, will need to complete and submit the Request Form to the Company no later than 4 September 2026. Soft copies of this Notice of AGM, the Proxy Form, the Notification and Request Form and the Annual Report 2025 have also been made available for download from SGXNet at the URL https://www.sgx.com/securities/company-announcements.

2. A member entitled to attend, speak and vote at the AGM is entitled to appoint no more than two (2) proxies to attend, speak and vote in his/her stead.

3. A member can appoint the Chairman of the AGM as his/her proxy but this is not mandatory. A proxy need not be a member of the Company.

4. Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholding to be represented by each proxy in the Proxy Form. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.

5. If the member is a corporation, the Proxy Form must be under its common seal or the hand of its attorney or a duly authorised officer.

6. Pursuant to Section 181 of the Companies Act 1967 of Singapore, any member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM. Relevant intermediary is either:

   (a) banking corporation licensed under the Banking Act 1970 of Singapore or its wholly-owned subsidiary, 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 ("**CPF**") Board established by the Central Provident Fund Act 1953 of Singapore ("**CPF Act**"), in respect of shares purchased under the subsidiary legislation made under that CPF Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

7. The Proxy Form must be submitted to the Company in the following manner:

   (a) if sent by post, be mailed to **ADVANCED SYSTEMS AUTOMATION LIMITED, 16 Kallang Place, #03-01/02, Singapore 339156**; or

   (b) if submitted electronically, be sent via email to the Company at finance@asa.sg,

   in either case by <u>10:00 a.m. on 8 September 2026</u> (not less than seventy-two (72) hours before the time appointed for holding the AGM).

8. Completion and submission of the Proxy Form by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of a proxy(ies) for the AGM shall be deemed to be revoked if the member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant Proxy Form, to the AGM.

9. A Depositor shall not be regarded as a member entitled to attend the AGM and to speak and vote thereat unless his/her name appears on the Depository Register seventy-two (72) hours before the time appointed for holding the AGM.

10. Members may raise questions at the AGM or submit questions related to the ordinary resolutions to be tabled for approval at the AGM, in advance of the AGM. Members who would like to submit questions in advance of the AGM may do so in the following manner:

    (a) if sent by post, be mailed to ADVANCED SYSTEMS AUTOMATION LIMITED, 16 Kallang Place, #03-01/02, Singapore 339156; or

    (b) if submitted electronically, be sent via email to the Company at finance@asa.sg.

    in either case by <u>5.00 p.m. on 4 September 2026</u> (the "**Questions Submission Cut-Off Date**").

    Members submitting questions are requested to state (i) their full name; (ii) their identification/registration number; (iii) contact telephone number; (iv) email address; and (v) the manner in which they hold shares (if you hold shares directly, please provide your CDP account number, otherwise, please state if you hold your shares through the CPFIS or the SRS, or a relevant intermediary shareholder), failing which, the Company shall be entitled to regard the submission as invalid.

    The Company will endeavour to address all substantial and relevant questions submitted by members prior to or during the AGM. The responses to substantial and relevant questions raised by members on or before the Questions Submission Cut-Off Date will be published on SGXNet by <u>10:00 a.m. on 6 September 2026</u>, being at least forty-eight (48) hours prior to the closing date and time for the lodgement of the Proxy Form. The Company will address any subsequent clarifications sought, or substantial and relevant follow-up questions (relating to the ordinary resolutions to be tabled for approval at the AGM) received after the Questions Submission Cut-Off Date which have not already been addressed prior to the AGM, as well as those substantial and relevant questions received during the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

    Thereafter the minutes of the AGM shall be published on SGXNET within one (1) month after the conclusion of the AGM. The minutes shall record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board of Directors and management.

11. Relevant intermediaries who wish to attend the AGM, or to appoint proxy(ies) to vote at the AGM should not use the Proxy Form and should instead approach their respective relevant intermediaries as soon as possible for the proxy(ies) appointment.

    CPF/SRS investors who wish to vote at the AGM may attend the AGM in person physically, or may appoint the Chairman of the AGM or such other person as their proxy to vote. The CPF/SRS investors who wish to appoint the Chairman of the AGM or such other person as their proxy should not use the Proxy Form. Instead, they should approach their respective CPF agent banks and/or SRS operators to submit their votes at least seven (7) working days before the AGM (by 2 September 2026), in order to allow sufficient time for the respective relevant intermediaries to in turn submit a proxy form for voting on their behalf. CPF/SRS investors are requested to contact their respective CPF agent banks and/or SRS operators for any queries they may have with regard to the appointment of proxies for the AGM. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at a meeting.

Personal data privacy:

"**Personal data**" in this Notice of AGM has the same meaning as "personal data" in the Personal Data Protection Act 2012 of Singapore, which includes his/her name, address and NRIC/Passport number. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **"Purposes"**), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member (such as his name, his presence at the AGM and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

*This Notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Asian Corporate Advisors Pte. Ltd (the "**Sponsor**").*

*This Notice has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this Notice including the correctness of any of the statements or opinions made or reports contained in this notice.*

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

Appendix 5

ADVANCED SYSTEMS AUTOMATION LIMITED

PROXY FORM

ADVANCED SYSTEMS AUTOMATION LIMITED

(Company Registration No. 198600740M)
(Incorporated in the Republic of Singapore)

IMPORTANT

1. The Fortieth Annual General Meeting of the Company ("**AGM**") will be held physically at 16 Kallang Place, #03-02, Singapore 339156, on Friday, 11 September 2026 at 10:00 a.m.. There will be no option for shareholders to participate in the AGM by electronic means. Printed copies of the Notice of AGM dated 27 August 2026 and this Proxy Form will be sent by post to shareholders.
2. Relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) may appoint more than two (2) proxies to attend, speak and vote at the AGM.
3. Investors who hold the Company's shares through relevant intermediaries (including CPF/SRS investors) and who wish to vote should approach their relevant intermediaries (including their respective CPF agent banks/SRS approved banks) to submit their voting instructions at least seven (7) working days before the date of the AGM).
4. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
5. Please read the notes to this Proxy Form.

PERSONAL DATA PRIVACY

By submitting this Proxy Form, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 27 August 2026.

PROXY FORM
THE FORTIETH ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this Form)
This proxy form has been made available on SGXNet on 27 August 2026.

I/We*, ______________________________ (Name) ______________________________ (NRIC/Passport No./ Co.Regn No)

of ____ (Address)

being a member/members* of Advanced Systems Automation Limited (the "**Company**"), hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or*

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing him/them* or if no proxy is named, the Chairman of the AGM as my/our* proxy/proxies* to attend, speak and to vote for me/us* on my/our* behalf at the AGM of the Company to be held at 16 Kallang Place, #03-02, Singapore 339156 on **Friday, 11 September 2026 at 10:00 a.m**. and at any adjournment thereof.

I/We* direct my/our* proxy/proxies* to vote for, against and/or to abstain from voting on the resolutions proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her* discretion.

If you wish to exercise all your votes "For" or "Against", or "Abstain" the relevant resolutions, please mark an "X" in the appropriate box provided. Alternatively, please indicate the number of votes "For" or "Against", or "Abstain" for each resolution in the boxes provided as appropriate. If you mark an "X" in the abstain box for a particular resolution, you are directing your proxy, not to vote on that resolution.

No.	**Resolutions relating to:**	**For**	**Against**	**Abstain**
1	Adoption of Directors' Statement, Audited Financial Statements for the financial year ended 31 December 2025, together with the Auditors' Report thereon			
2	Re-election of Ms Gan Shiying, Sonia as a Director of the Company			
3	Re-election of Mr Lim Chen Chong as a Director of the Company			
4	Approval of payment of Directors' fees amounting to S$176,000 for the financial year ended 31 December 2025			
5	Authority for Directors to allot and issue shares in the capital of the Company			

Note: Voting will be conducted by poll.

Dated this ______day of ________________2026

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

____
Signature of Shareholder(s)/ Common Seal of Corporate Shareholder

**Delete where inapplicable*

Important: Please read notes overleaf

Notes:

1. A member of the Company should insert the total number of shares of the Company ("**Shares**") held. If the member has Shares entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), he/she/it should insert that number of Shares. If the member has Shares registered in his/her/its name in the Register of Members of the Company (maintained by or on behalf of the Company), he/she/it should insert the number of Shares. If the member has Shares entered against his/her/its name in the Depository Register and Shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of Shares entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Members. If no number is inserted, this form of proxy shall be deemed to relate to all the Shares held by the member of the Company.

2. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member's instrument appointing a proxy(ies) appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at a meeting.

3. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two (2) proxy(ies), the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   "**Relevant Intermediary**" means:

   (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 CPF 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 CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. A member can appoint the Chairman of the AGM as his/her/its proxy but this is not mandatory. A proxy need not be a member of the Company.

5. This form of proxy, duly executed, must be submitted to the Company in the following manner:

   (a) if sent by post, be mailed to **ADVANCED SYSTEMS AUTOMATION LIMITED, 16 Kallang Place, #03-01/02, Singapore 339156**; or

   (b) if submitted electronically, be sent via email to the Company at finance@asa.sg,

   in either case, not less than seventy-two (72) hours before the time appointed for holding the AGM.

6. This form of proxy must be under the hand of the appointor or of his/her/its attorney duly authorised in writing. Where this form of proxy is executed by a corporation, it must be executed either under its common seal (or otherwise in accordance with its constitution) or under the hand of an officer or attorney duly authorised. Where this form of proxy is executed by an attorney on behalf of the appointor, the letter or the power of attorney or a duly certified true copy thereof must be lodged with this form of proxy, failing which this form of proxy may be treated as invalid.

7. This proxy form been made available for download from SGXNet at the URL https://www.sgx.com/securities/company-announcements.

GENERAL:

The Company shall be entitled to reject this form of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this form of proxy. In addition, in the case of members whose Shares entered against their names in the Depository Register, the Company may reject any instrument appointing or treated as appointing a proxy(ies) lodged if such members, being the appointor, are not shown to have Shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM (or at any adjournment thereof), as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By attending the AGM and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 27 August 2026.

16 Kallang Place #03-01/02 Singapore 339156

(Co. Reg. No. 198600740M)