CONTINUAL INNOVATION
STRATEGIC EXPANSION

Tai Sin Electric Limited
Annual Report 2023

DYNAMIC INNOVATION
STRATEGIC EXPANSION

As we continue to forge ahead in our journey as an integrated industrial group, we have been firm in our vision of transformation, embracing innovation and technology to strengthen our foundations and better serve our clients. Our commitment to continual advancement has empowered us to venture confidently and strategically into the next phase of sustainable growth.

MISSION

We are committed in contributing to a safer tomorrow through our products and services. We believe in sustainable development for our business and people, while protecting the environment and contributing to society.

VISION

To be a leading Industrial Group that contributes to a safer tomorrow.

CORE VALUES

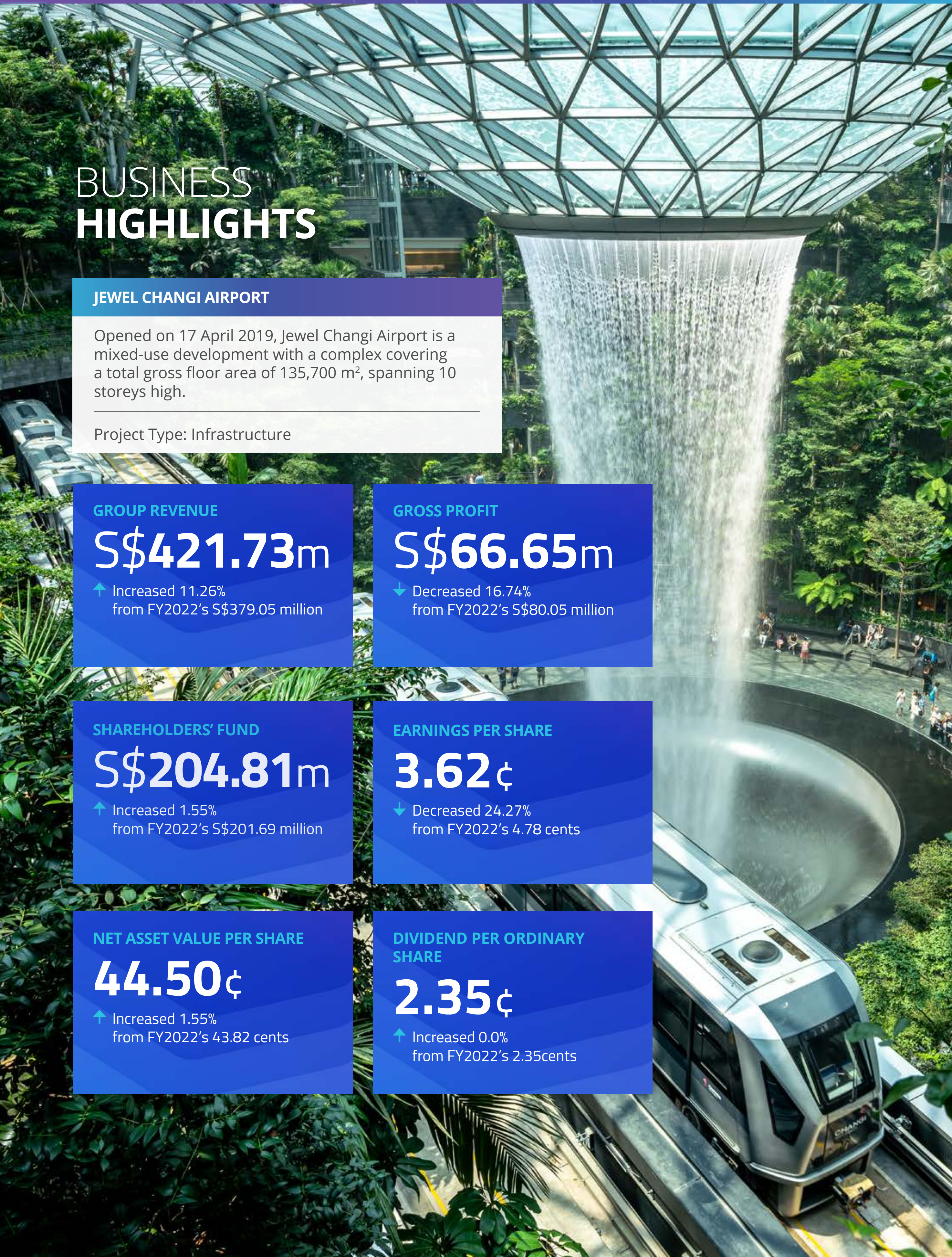
Integrity
We treasure loyalty, uphold honesty, and practise good business ethics.

Reliability
We uphold service excellence, take pride in our product quality and ensure commitments are duly fulfilled.

Unity
We embrace teamwork, harmony and mutual respect with our customers, suppliers, and employees.

CONTENTS

FINANCIAL STATEMENTS



BUSINESS **HIGHLIGHTS**

JEWEL CHANGI AIRPORT

Opened on 17 April 2019, Jewel Changi Airport is a mixed-use development with a complex covering a total gross floor area of 135,700 m^2, spanning 10 storeys high.

Project Type: Infrastructure

GROUP REVENUE

S$421.73m

Increased 11.26% from FY2022's S$379.05 million

GROSS PROFIT

S$66.65m

Decreased 16.74% from FY2022's S$80.05 million

SHAREHOLDERS' FUND

S$204.81m

Increased 1.55% from FY2022's S$201.69 million

EARNINGS PER SHARE

3.62¢

Decreased 24.27% from FY2022's 4.78 cents

NET ASSET VALUE PER SHARE

44.50¢

Increased 1.55% from FY2022's 43.82 cents

DIVIDEND PER ORDINARY SHARE

2.35¢

Increased 0.0% from FY2022's 2.35cents

TAI SIN
AT A GLANCE

We're More Than Cables

Tai Sin Electric Limited was established with the foresight and determination as a cable manufacturing business in 1980. Today, after over 43 years of strategic expansion and diversification, Tai Sin has emerged as a leading and trusted Industrial Group in Southeast Asia. Listed on the Stock Exchange of Singapore, SESDAQ in 1998, Tai Sin was subsequently transferred to the SGX Main Board in 2005.

Presently known as Tai Sin Electric Limited Group of Companies, the business is streamlined into four Business Segments, namely Cable & Wire ("C&W"), Electrical Material Distribution ("EMD"), Test & Inspection ("T&I") and Switchboard ("SB"). These segments are well designed to meet the specific needs of our diverse customers ranging from end-users to contractors, manufacturers, system integrators, engineers and consultants. The business mix of the segments has allowed the Group to continue to achieve growth during difficult times.

The Group operates a highly successful network distributing electrical and control products, accessories and solutions to a wide range of local and regional industries which includes Malaysia, Vietnam, Brunei, Indonesia and Cambodia.

CLIENT FOCUS

We deliver additional values beyond our solutions by understanding our clients' needs

ENVIRONMENTALLY FRIENDLY

We believe in sustainability for the environment and our business, and are commited to the green economy

PEOPLE-CENTER

We believe in the well-being and welfare of our employees as our people are our most important assets

SPECIALISED EXPERTISE

Our relentless focus on providing a comprehensive range of reliable power distribution solution

QUALITY ASSURED

We assure the quality of our products through the compliance with various quality standards in our work processes

TAI SIN **NETWORK**

17
COMPANIES ACROSS SOUTHEAST ASIA

25
OFFICES

6
COUNTRIES

TAI SIN **SUSTAINABILITY LIVING PLAN**

SAFER TOMORROW
BUILDING A SUSTAINABLE TOMORROW

ENVIRONMENT | SOCIAL | GOVERNANCE

PRODUCTS THAT PROVIDE SAFETY

Our diverse range of products are in line with our strengths in providing reliability in areas of electrical and industrial safety protection. Products such as fire resistant cables, molded circuit breakers, safety sensors and personal protection equipment uphold the highest practical standards for our customers' use.

PRODUCTS THAT ARE SAFE TO USE

We are committed to making sure our products meet the highest standards for safety and quality through our stringent manufacturing process. We also ensure that all other products we represent come from a reliable and reputable source, and comply with international quality and safety regulations.

SERVICES THAT PROVIDE SAFETY

Our test and inspection service provides reliable and accurate testing, an integral part in ensuring that the condition of the facilities will be safe for use by both businesses and the public.

BUSINESS **SEGMENTS**

Tai Sin is structured into four interlinked business segments – Cable & Wire, Electrical Material Distribution, Test & Inspection and Switchboard. The Group is able to leverage the combined core competencies and expanding capabilities of each business segment to deliver a focused collective solution to its customers.

CABLE & WIRE ("C&W")

This segment designs, develops, manufactures and trades electrical power distribution products. Products include Power, Control, Instrumentation, Fire Resistant, Flame Retardant Cables and Branch Cable Systems, which are used in all areas of electrical and instrumentation installation for commercial, residential, industrial and infrastructure projects.

- Tai Sin Electric Limited
- Tai Sin Electric Cables (Malaysia) Sdn Bhd
- Tai Sin Electric Cables (VN) Co Ltd
- Lim Kim Hai Electric (VN) Co Ltd
- Nishi Densen Sdn Bhd*#

TEST & INSPECTION ("T&I")

This segment provides accredited testing services for materials ranging from concrete to soil and asphalt premixes. Service includes independent testing, inspection and certification that meets local and international standards.

- CAST Laboratories Pte Ltd
- CASTconsult Sdn Bhd
- PT CAST Laboratories Indonesia
- CAST Laboratories (Cambodia) Co Ltd

ELECTRICAL MATERIAL DISTRIBUTION ("EMD")

This segment supplies products and services to a wide range of industries which includes industrial automation and maintenance, repair & operations (MRO). Products include industrial control system and components, sensing, measurement and monitoring system, power quality system, safety, cabling and electrical accessories, as well as lighting and energy monitoring solutions. This segment also designs and produce Busbar Trunking Systems use for electrical power distribution for installation in commercial, industrial and infrastructure projects.

- Lim Kim Hai Electric Co (S) Pte Ltd
- LKH Precicon Pte Ltd
- LKH Projects Distribution Pte Ltd
- Tai Sin Power Distribution Pte Ltd
- ElectGo Pte Ltd

SWITCHBOARD ("SB")

This segment designs and manufactures high quality switchgears for use in large buildings and industrial installations. Products include low voltage main and sub switchboards, distribution boards and control panels, amongst others.

- PKS Sdn Bhd

* With effect from 1 July 2022
\# Previously known as Nishiden (Malaysia) Sdn Bhd

FINANCIAL **HIGHLIGHTS**

TURNOVER
(S$M)

421.73 m

Increased 11.26%

2023	421.73
2022	379.05
2021	298.44
2020	276.41
2019	335.71

PROFIT BEFORE INCOME TAX
(S$M)

21.39 m

Decreased 21.59%

2023	21.39
2022	27.28
2021	21.32
2020	12.41
2019	13.95

SHAREHOLDERS' FUNDS
(S$M)

204.81 m

Increased 1.55%

2023	204.81
2022	201.69
2021	190.24
2020	180.50
2019	175.55

NET ASSET VALUE PER SHARE
(cents)

44.50 ¢

Increased 1.55%

2023	44.50
2022	43.82
2021	41.33
2020	39.20
2019	39.80

EARNINGS PER SHARE
(cents)

3.62 ¢

Decreased 24.27%

2023	3.62
2022	4.78
2021	3.75
2020	2.14
2019	2.69

CHAIRMAN'S **STATEMENT**

GROUP REVENUE ($M)

421.73 m

Increased 11.26%
from FY2022's $379.05 Million

GROSS PROFIT ($M)

66.65 m

decreased 16.74%
from FY2022's $80.05 Million

To appreciate our shareholders for your staunch support, the Board is pleased to recommend a final dividend of 1.60 cent per ordinary share. Subject to shareholders' approval at our upcoming annual general meeting scheduled on 25 October 2023

REFLECTIONS AT KEPPEL BAY

A splendorous condominium located at Keppel Bay View. Comprising six glass towers and 11 low-rise villa apartment blocks, Reflections at Keppel Bay offers 1,129 supreme homes.

Project Type: Residential

DUO RESIDENCES

Located at the heart of Bugis area, DUO Residences is part of a mixed development by M+S. Pte Ltd. Towering the sky with 660 residential units, spreading 49 storeys.

Project Type: Residential

GARDENS BY THE BAY

Spanning 101 hectares, Gardens by the Bay is made up by two main areas: Bay South Garden, and Bay East Garden.

Project Type: Infrastructure

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

Significant events during the financial year ended 30 June 2023 ("FY2023") underscored the fragility of the world economy as markets were roiled by central banks intensifying their efforts to combat inflation through aggressive monetary tightening policies and rapid interest rate hikes. Against this backdrop, the Group remained focused on strengthening our core capabilities through innovation as well as strategic expansion to enhance our distribution network and serve our clients better.

Notwithstanding the challenging business environment, the global transition to a green economy continues to gather pace. As the shift to sustainability accelerates, the Group will continue to pursue business opportunities that may arise with the continued growth of the electric vehicle ecosystem. The mass adoption of artificial intelligence tools by enterprises and consumers is expected to accelerate the demand for data centres. This also presents growth opportunities for the Group to support the digital economy.

The Group remains committed to achieving its strategic objectives to deliver sustainable growth and enhance shareholder value.

Group revenue increased 11.26% from $379.05 million in the financial year ended 30 June 2022 ("FY2022") to $421.73 million in the year under review with higher contributions from the Cable & Wire ("C&W") segment offset by decline in revenue from the Electrical Material Distribution ("EMD"), Testing & Inspection ("T&I") and Switchboard ("SB") segments. The robust performance of our flagship business unit was sustained by the continued recovery of public and private sector construction activities in the region. This shored up the overall performance of the Group amidst the cyclical slowdown in the global semiconductor industry and lower business volumes for non-destructive testing and heat treatment services in the region.

Gross profit decreased from $80.05 million in the previous financial year to $66.65 million in FY2023. Gross profit margin correspondingly declined from 21.12% to 15.81%. This was mainly due to the higher reversal of provision for onerous contracts in FY2022 and continued deliveries of the low margin projects in FY2023 that were secured two to four years ago when copper prices were low.

Other operating income increased to $5.00 million mainly due to the higher reversal of allowances for doubtful debts, higher scrap sales and fair value gain on derivative financial instruments in FY2023.

Selling and distribution increased to $24.09 million due to higher staff and business operation costs, which was in tandem with higher revenue. Administrative expenses also rose to $21.73 million mainly due to higher staff welfare expenses as well as higher operating costs incurred through the consolidation of our newly acquired subsidiary in Malaysia, Nishi Densen Sdn Bhd.

Other operating expenses decreased to $2.79 million mainly due to the absence of fair value loss on derivative financial instruments and loss allowance for trade and other receivables during the year under review, offset against the impairment loss on right-of-use assets for a leased building in Cambodia.

Finance costs increased to $2.15 million mainly due to higher borrowings and higher interest charges from short-term bank borrowings.

Share of profit of associates decreased to $0.50 million mainly due to lower profits reported by the Nylect Group during the year under review.

As a result of the above, the Group's profit attributable to shareholders decreased to $16.67 million in FY2023.

To appreciate our shareholders for your staunch support, the Board is pleased to recommend a final dividend of 1.60 cent per ordinary share. Subject to shareholders' approval at our upcoming annual general meeting scheduled on 25 October 2023, the dividend is expected to be paid out to shareholders on or around 9 November 2023. This will bring the total cash dividend payout for FY2023 to 2.35 cent per ordinary share.

Finally, I would like to take this opportunity to thank our customers, business partners and shareholders for their unwavering support. I would also like to convey my heartfelt gratitude to our dedicated management team and staff for their indomitable spirit to overcome the challenges faced during the year. The Group has navigated the turbulent business environment during the pandemic and emerged stronger. I believe that we will be able to capitalise on the opportunities ahead and deliver enduring value to our stakeholders.

On behalf of the Board of Directors, we thank you and look forward to your continued support.

Bobby Lim Chye Huat
Chairman

REPORT BY THE
CHIEF EXECUTIVE OFFICER

NATIONAL GALLERY SINGAPORE

The Gallery exemplifies Singapore's thrive to become a global city for the arts. Covering 64,000 square metres, the Gallery is the largest venue for visual arts, not only in Singapore but also in the Southeast Asia region.

Project Type: Infrastructure

CHANGI AIRPORT TERMINAL 4

Changi Airport Terminal 4 is Singapore's fourth terminal. With a two-storey, 25-metre-high building, it has a gross floor area of 195,000 square metre

Project Type: Infrastructure

For the year under review, our C&W segment recorded a 20.57% increase in revenue from $232.42 million in the financial year ended 30 June 2022 ("FY2022") to $280.23 million in FY2023

The financial year ended 30 June 2023 ("FY2023") reflects the state of play as businesses emerging from the pandemic contend with the challenges posed by the volatile business environment amidst elevated inflation, rising interest rates and simmering geopolitical tensions. Nevertheless, the Group has performed resiliently as we remain steadfast to build on our foundations and thrive during these difficult times.

For the year under review, our C&W segment recorded a 20.57% increase in revenue from $232.42 million in the financial year ended 30 June 2022 ("FY2022") to $280.23 million in FY2023. The Singapore, Malaysia and Vietnam markets contributed to the increase in revenue which was primarily driven by higher sales volume despite lower copper prices as both the public and private sector construction activities continued to recover. The C&W segment also included the revenue contributions from our newly acquired Malaysian subsidiary, Nishi Densen Sdn Bhd, which also allowed us to expand our product range in the market.

Our EMD segment reported a marginal decline in revenue from $110.03 million in FY2022 to $108.36 million in FY2023, mainly due to a significant reduction in the Electronics cluster during the latter half of FY2023 amidst the global electronics downturn. This was partially offset by an uptick in business activities and correspondingly higher revenue in the Chemical, Oil and Gas cluster.

Revenue from our T&I segment contracted from $31.32 million in FY2022 to $28.49 million in FY2023. The decrease in turnover was mainly due to lower revenue from the non-destructive testing ("NDT") and heat treatment services in Indonesia as a result of the completion of existing projects and fewer significant new contracts being secured. Nevertheless, the decline was cushioned by the laboratory testing services which recorded better performance following the higher volume of business activities in the construction sector.

Meanwhile, revenue from our SB segment declined from $5.29 million to $4.65 million mainly due to intense competition as a result of the scarcity of projects in the market.

REPORT BY THE CHIEF EXECUTIVE OFFICER

FORGING AHEAD

The Group has made significant strides since we embarked on our transformation journey to drive new growth and deliver value in the new normal. Our emphasis on innovation and strategic expansion has been undergirded by our relentless pursuit of operational excellence and steadfast commitment to add value to our clients.

The easing of restrictions has led to an increase in construction activities as clients in the public and private sectors strived to clear the backlog of projects which were delayed during the pandemic. Furthermore, the rapid growth of artificial intelligence, in tandem with demand for other modern technologies, has also driven the development of data centre projects in the region. In this regard, our C&W segment was able to harness its manufacturing capabilities and comprehensive suite of cable and wire products to support the robust growth of both the public and private sector infrastructure as well as data centre construction activities in the region.

In addition, our EMD segment has augmented its value proposition to clients by leveraging its digital platform for industrial products to provide e-commerce solutions that complement its multi-brand product offering. We continue to explore opportunities to build out our capabilities across the value chain which will allow us to further strengthen our customer relationships. While the Group continues to contend with rising cost pressures and manpower constraints in a highly competitive market environment, we have remained nimble by pivoting our resources to clinch and execute sustainability-related infrastructure projects in the electric vehicle and energy monitoring sectors.

As part of our regional growth plans, our T&I segment has enlarged its footprint across several states in Malaysia as well as Riau, Java and Kalimantan in Indonesia. This marks another milestone in our strategy to extend our reach and support our clients in the mining and energy industries.

OUTLOOK

The rise in central bank policy rates to rein in inflation continue to weigh on the global economy. The International Monetary Fund ("IMF") projected that the world economy would slow from growth of 3.5% in 2022 to 3.0% in 2023. Accordingly, Singapore's Ministry of Trade and Industry ("MTI") has narrowed its Gross Domestic Product ("GDP") growth forecast for 2023 to "0.5 – 1.5 per cent".

The business environment is expected to remain challenging, with global growth projected to slow amid ongoing geopolitical tensions, persistently high inflation and elevated interest rates. This confluence of headwinds may amplify the volatility in commodity prices and exacerbate supply chain disruptions which would contribute to rising cost pressures.

Notwithstanding these challenges, the Group remains vigilant in managing the ongoing price tension arising from the volatile copper prices as well as growing wage pressures.

Our EMD segment has augmented its value proposition to clients by leveraging its digital platform for industrial products to provide e-commerce solutions that complement its multi-brand product offering.

The Group is constantly on the lookout for suitable business opportunities in Southeast Asia, where demand is expected to remain resilient. The collective commitment of industry participants to decarbonise transportation has fuelled the growth of the electric vehicle ecosystem. The Group believes that this will pave the way to strengthen its involvement in the green economy. Furthermore, the growing investment in digital infrastructure like data centres and rapid adoption of emerging technologies, such as artificial intelligence, will present opportunities for the Group to support the growth of the digital economy.

While the global economic outlook remains uncertain, we look forward to the opportunities that lie ahead. The Group will remain focused in executing its business strategy and continue to proactively implement transformation initiatives to build out its portfolio of products and services and achieve sustainable growth.

Lim Boon Hock Bernard
Chief Executive Officer

BOARD OF DIRECTORS

LIM CHYE HUAT @ BOBBY LIM CHYE HUAT

PBM BBM KStJ
Chairman, Non-Executive and Non-Independent Director

Date of Appointment as Director
- May 1997 as Director
- October 1997 as Managing Director
- July 2013 as Executive Director
- July 2016 as Non-Executive and Non-Independent Director
- November 2018 as Non-Executive and Non-Independent Chairman

Length of Service as Director
- 26 years

Board Committee Served On
- Audit and Risk Committee (Member)
- Nominating Committee (Member)
- Remuneration Committee (Member)

Academic & Professional Qualifications
- Honorary Fellow of Singapore Institute of Engineering Technologies
- Fellow of the Chartered Management Institute, United Kingdom

Present Directorships in Listed Companies
- Non-Executive and Independent Director, Hubline Berhad

Past Directorships in Listed Companies Over the Preceding Three Years
- Nil

Others
- Advisor of National St John Council
- Patron of Toa Payoh East - Novena Citizens' Consultative Committee
- Managing Director of Lim Kim Hai Electric Co (S) Pte Ltd from 1972 to 1997
- Former Chairman of National St John Council
- Former Chairman and Supervisor of The LightHouse School (Singapore School for The Visually Handicapped)

LIM BOON HOCK BERNARD

Chief Executive Officer / Executive Director

Date of Appointment as Director
- September 1997 as Executive Director
- June 2003 as Chief Operating Officer
- July 2013 as Chief Executive Officer

Length of Service as Director
- 26 years

Board Committee Served On
- Nil

Academic & Professional Qualifications
- Bachelor of Arts (Social Sciences), Curtin University of Technology, Perth, Western Australia
- Master of Business Administration, University of Strathclyde, United Kingdom

Present Directorships in Listed Companies
- Nil

Past Directorships in Listed Companies Over the Preceding Three Years
- Nil

Others
- Advisory Board Member of Singapore Institute of Purchasing and Materials Management (SIPMM)
- Council Member of the Singapore Manufacturing Federation [SMF]
- Member of the Electrical & Electronic Standard Committee (Singapore Standards Council [SSC])
- Member of Jobs and Skills Advisory Committee (Singapore Business Federation [SBF])
- Member of the Singapore National Committee of the International Electrotechnical Commission [SNC(IEC)]

BOARD OF DIRECTORS

SOON BOON SIONG

Non-Executive and Lead Independent Director

Date of Appointment as Director
- November 2012 as Non-Executive and Independent Director
- November 2018 as Non-Executive and Lead Independent Director

Length of Service as Director
- 11 years

Board Committee Served On
- Audit and Risk Committee (Chairman)
- Nominating Committee (Member)
- Remuneration Committee (Member)

Academic & Professional Qualifications
- Degree in Business Administration, University of Singapore

Present Directorships in Listed Companies
- Nil

Past Directorships in Listed Companies Over the Preceding Three Years
- Nil

Others
- Managing Director – Corporate Finance of Crowe Horwath Capital Pte Ltd (previously known as Partners Capital (Singapore) Pte Ltd)

LEE FANG WEN

Non-Executive and Independent Director

Date of Appointment as Director
- July 2015 as Non-Executive and Independent Director

Length of Service as Director
- 8 years

Board Committee Served On
- Audit and Risk Committee (Member)
- Nominating Committee (Member)
- Remuneration Committee (Chairman)

Academic & Professional Qualifications
- Bachelor of Engineering, Chemical, National University of Singapore

Present Directorships in Listed Companies
- Independent Director, Sincap Group Limited

Past Directorships in Listed Companies Over the Preceding Three Years
- Non-Executive and Independent Director, Asiatic Group (Holdings) Limited

Others
- Executive Director – Creative Master Bermuda Limited from 2013 to 2014
- Business Development Director – MFS Technology (S) Pte Ltd from 2002 to 2005 & 2007 to 2009

BOARD OF DIRECTORS

RENNY YEO AH KIANG

PBM BBM
Non-Executive and Independent Director

Date of Appointment as Director
- July 2018 as Non-Executive and Independent Director

Length of Service as Director
- 5 years

Board Committee Served On
- Audit and Risk Committee (Member)
- Nominating Committee (Chairman)
- Remuneration Committee (Member)

Academic & Professional Qualifications
- Higher National Diploma (HND) in Electrical & Electronic Engineering, Southampton College of Technology, United Kingdom
- Master in Management (MBA), Asia Institute of Management, Philippines

Present Directorships in Listed Companies
- Independent Director, Zicom Group Limited, Australia

Past Directorships in Listed Companies Over the Preceding Three Years
- Independent Chairman, Sin Heng Heavy Machinery Limited
- Non-Executive and Lead Independent Director, OEL (Holdings) Ltd

Others
- Independent Director of Zicom Holdings Pte Ltd
- Former Emeritus President of Singapore Manufacturers' Federation
- Former Chairman of The Singapore Accreditation Council
- Former Board Member of Enterprise Singapore
- Former Advisor of Electrical & Electronic Product Standards Committee (Enterprise Singapore)
- Former Executive Chairman & Director of Draka Cableteq Asia Pacific Holdings Pte Ltd and its subsidiaries
- Former Board Member of Building and Construction Authority
- Former Board Member of the Singapore Green Building Council
- Former President of the Singapore National Committee (SNC) of The International Electrotechnical Commission [SNC(IEC)]
- Former Member of the Standard Council (SPRING)
- Former Chairman of Electrical & Product Standards Committee (SPRING)
- Former President and Board of Governors of Singapore Manufacturers' Federation

BOARD OF DIRECTORS

SEOW BOON TENG

Non-Executive and Independent Director

Date of Appointment as Director
- January 2023 as Non-Executive and Independent Director

Length of Service as Director
- Less than 1 year

Board Committee Served On
- Audit and Risk Committee (Member)*
- Nominating Committee (Member)*
- Remuneration Committee (Member)*

* *appointed on 1 July 2023*

Academic & Professional Qualifications
- Bachelor of Science (Merit), National University of Singapore
- Master of Business Administration, Nanyang Technological University, Singapore

Present Directorships in Listed Companies
- Nil

Past Directorships in Listed Companies Over the Preceding Three Years
- Nil

Others
- Group Executive Director of Watson EP Industries Pte Ltd
- Chairman of NEA Energy Efficiency National Partnership (EENP) Awards Judging Panel - Outstanding SME of the Year Category (2022, 2023)
- Chairperson of 46th Management Corporation, MCST strata title 262
- Committee Member to Vice Chair, Business Leaders Alumni Club
- Council Member of Singapore Accreditation Council (Enterprise Singapore)
- Council Member of Singapore Precision Engineering and Technology Association [SPETA]
- Committee Member of Manufacturing Standards Committee (Enterprise Singapore)
- Committee Member of Digitalisation Committee (Singapore Business Federation [SBF])
- Member of Singapore Institute of Directors
- School of Engineering Advisory Committee member, Nanyang Polytechnic
- Former Chairperson of Electrical, Electronic & Allied Industries Industry Group (Singapore Manufacturing Federation [SMF])
- Former Assessor for COVID-19 (Temporary Measures) Act 2020 (Appointed by Ministry of Law, Singapore)

MANAGEMENT TEAM

CORPORATE

Lim Boon Hock Bernard
Chief Executive Officer;
Tai Sin Electric Limited
Join Since: 1997

Tan Yong Hwa, MBA FCA FCCA
Chief Financial Officer;
Tai Sin Electric Limited
Join Since: 2006

Gerald Cheng Kai Yong
Head of Group Human Resources;
Tai Sin Electric Limited
Deputy General Manager;
Lim Kim Hai Electric Co (S) Pte Ltd
Join Since: 2002

CABLE & WIRE ("C&W") SEGMENT

Lin Chen Mou
Executive Vice President;
Tai Sin Electric Limited
Join Since: 1983

Cha Poo Chun
General Manager – Operations;
Tai Sin Electric Limited
Join Since: 2006

Yap Kong Fui
General Manager – Manufacturing;
Tai Sin Electric Limited
Join Since: 2006

Lee Choon Mui Patricia
General Manager;
Tai Sin Electric Cables (Malaysia) Sdn Bhd
Director;
Nishi Densen Sdn Bhd
Join Since: 1998

Teh Choon Kong
General Director;
Tai Sin Electric Cables (VN) Co Ltd
Deputy General Director;
Lim Kim Hai Electric (VN) Co Ltd
Join Since: 2003

Sin Tuyet Mai, MBA
General Director;
Lim Kim Hai Electric (VN) Co Ltd
Deputy General Director – Sales & Marketing;
Tai Sin Electric Cables (VN) Co Ltd
Join Since: 2004

Khoo Nee Tun
Plant Manager;
Nishi Densen Sdn Bhd
Join Since: 2003

ELECTRICAL MATERIAL DISTRIBUTION ("EMD") SEGMENT

Lim Chai Lai @ Louis Lim Chai Lai
Chairman;
Lim Kim Hai Electric Co (S) Pte Ltd
Join Since: 1967

Chia Ah Heng
Deputy Chairman;
Lim Kim Hai Electric Co (S) Pte Ltd
Join Since: 1969

Ong Wee Heng
Chief Executive Officer;
Lim Kim Hai Electric Co (S) Pte Ltd
Join Since: 1979

Francis Pan Thiam Sing
General Manager;
Lim Kim Hai Electric Co (S) Pte Ltd
Join Since: 2009

Joyce Tan Say Cheng
General Manager;
LKH Precicon Pte Ltd
Join Since: 1987

Daniel Poon Kwang Poo
General Manager;
LKH Projects Distribution Pte Ltd
Join Since: 1980

Aaron Lee Jianxian
General Manager;
Tai Sin Power Distribution Pte Ltd
Senior Business Manager;
LKH Projects Distribution Pte Ltd
Join Since: 2011

Shirline Tan Say Chian
General Manager;
ElectGo Pte Ltd
Senior Manager - Operations;
LKH Precicon Pte Ltd
Join Since: 1991

TEST & INSPECTION ("T&I") SEGMENT

Lim Eng Heng
Chief Executive Officer;
CAST Laboratories Pte Ltd
Join Since: 1991

Lim Boon Hoh Benedict
General Manager – Operations;
CAST Laboratories Pte Ltd
Join Since: 2015

Tai Jan Lean
General Manager – NDT & Inspection;
CAST Laboratories Pte Ltd
Join Since: 2015

Tan Bee Yong
General Manager – Finance & Accounts;
CAST Laboratories Pte Ltd
Join Since: 2010

Mohd Nizam B. Mohd Yusof
Director;
CASTconsult Sdn Bhd
Join Since: 1989

Dewi Yuliana
General Manager;
PT CAST Laboratories Indonesia
Join Since: 2009

SWITCHBOARD ("SB") SEGMENT

Ng Shu Goon Tony
Managing Director;
PKS Sdn Bhd
Join Since: 1989

Chang Chai Woon Michael
Executive Director;
PKS Sdn Bhd
Join Since: 1989

CORPORATE **STRUCTURE**

Tai Sin®

- 100% Tai Sin Electric Cables (Malaysia) Sdn Bhd
- 100% Tai Sin (Vietnam) Pte Ltd
  - 100% Tai Sin Electric Cables (VN) Co Ltd
  - 90% Lim Kim Hai Electric (VN) Company Limited
- 100% Nishi Densen Sdn Bhd *#
- 100% Lim Kim Hai Electric Co (S) Pte Ltd
  - 100% LKH Precicon Pte Ltd
  - 100% LKH Projects Distribution Pte Ltd
  - 100% ElectGo Pte Ltd
  - 100% LKH Electric (M) Sdn Bhd
  - 100% Tai Sin Power Distribution Pte Ltd^@
  - 30% Nylect International Pte Ltd
  - 40% PT Elmecon Multikencana
- 100% CAST Laboratories Pte Ltd
  - 100% CASTconsult Sdn Bhd
  - 95% PT CAST Laboratories Indonesia
  - 100% CAST Laboratories (Cambodia) Co Ltd
  - 37.5% Astar Laboratory Pte Ltd
- 70% PKS Sdn Bhd

* With effect from 1 July 2022
^ With effect from 1 July 2023
\# Previously known as Nishiden (Malaysia) Sdn Bhd
@ Previously held directly by Tai Sin Electric Limited

CORPORATE INFORMATION

BOARD OF DIRECTORS

Lim Chye Huat @ Bobby Lim Chye Huat
Chairman, Non-Executive and Non-Independent Director

Lim Boon Hock Bernard
Chief Executive Officer / Executive Director

Soon Boon Siong
Non-Executive and Lead Independent Director

Lee Fang Wen
Non-Executive and Independent Director

Renny Yeo Ah Kiang
Non-Executive and Independent Director

Seow Boon Teng@
Non-Executive and Independent Director

AUDIT AND RISK COMMITTEE

Soon Boon Siong
Chairman

Lee Fang Wen
Renny Yeo Ah Kiang
Lim Chye Huat @ Bobby Lim Chye Huat
Seow Boon Teng*

NOMINATING COMMITTEE

Renny Yeo Ah Kiang
Chairman

Lee Fang Wen
Soon Boon Siong
Lim Chye Huat @ Bobby Lim Chye Huat
Seow Boon Teng*

REMUNERATION COMMITTEE

Lee Fang Wen
Chairman

Soon Boon Siong
Renny Yeo Ah Kiang
Lim Chye Huat @ Bobby Lim Chye Huat
Seow Boon Teng*

@ Appointed on 1 January 2023
** Appointed on 1 July 2023*

COMPANY SECRETARIES

Hazel Chia Luang Chew
Juliana Tan Beng Hwee

COMPANY REGISTRATION NUMBER

198000057W

REGISTERED OFFICE

24 Gul Crescent
Singapore 629531
Tel: 6672 9292
Fax: 6861 4084
Email: ir@taisin.com.sg

SHARE REGISTRARS & SHARE TRANSFER OFFICE

B.A.C.S. Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896
Tel: 6593 4848

AUDITORS

Deloitte & Touche LLP
Public Accountants and Chartered Accountants
6 Shenton Way
#33-00 OUE Downtown 2
Singapore 068809
Partner-In-Charge:
Kong Lai San
Appointed for the year ended 30 June 2023

PRINCIPAL BANKERS

United Overseas Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Oversea-Chinese Banking Corporation Limited
DBS Bank Ltd
CIMB Bank Berhad
Malayan Banking Berhad

SUSTAINABILITY REPORT **FY2023**

CONTENTS

BOARD **STATEMENT**

This Report provides us with a valuable opportunity to engage our stakeholders and respond to issues that matter most to them and to our business as we work to further focus and prioritise our sustainability and corporate social responsibility initiatives.

This is Tai Sin Electric Limited Group of Companies ("the Group") Sustainability Report covering our key operations in Singapore and complements our Annual Report, focusing on areas which are of concern to our stakeholders. This report is published annually and covers the same reporting period as the Financial Year 2023 ("FY2023"), from 1 July 2022 to 30 June 2023.

This Report is prepared with reference to the Global Reporting Initiative ("GRI") Standards as it provides an extensive framework that is widely accepted as a global standard for sustainability reporting. The Report also takes into account the latest GRI Universal Standards 2021, the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") and the Singapore Exchange-ST Listing Rules 711A and 711B, Practice Note 7.6 Sustainability Reporting Guide.

The Board oversees the management and monitoring of the economic, environmental, social and governance ("EESG") factors of the Group, and takes them into consideration in the determination of the Group's strategic direction and policies. They have oversight of the EESG material factors and ensure that the factors are relevant and current for the business. A complete perspective of the Group's performance, including environmental, social and economic factors, can be viewed together with our Annual Report, which provides details of our financial performance and our approach to corporate governance and risk management.

This Report provides us with a valuable opportunity to engage our stakeholders and respond to issues that matter most to them and to our business as we work to further focus and prioritise our sustainability and corporate social responsibility initiatives. Although external assurance has not been sought for this year's report, an internal review of our sustainability reporting processes (including key aspects of this Sustainability Report) was conducted by our outsourced internal auditor. Going forward, the review will be carried out on a cycle basis, as part of their internal audit plan. Internally, we have relied on internal data monitoring and checks to ensure accuracy.

We welcome your views and feedback on our sustainability practices and reporting at ir@taisin.com.sg.

SUSTAINABILITY **GOVERNANCE**

The Board of Directors of Tai Sin is responsible for ensuring that sustainability is upheld throughout the organisation, and has oversight of all sustainability practices. It reviews all identified material EESG topics when considering strategic planning and development. Oversight is enhanced by a comprehensive governance framework and proactive risk management that is executed by the Sustainability Committee which is made up of Group CEO, Group CFO and segment head .

Head of the various business segments are responsible for the sustainability performance of their respective segments. They work closely with the general managers and senior managers in each business segment on the implementation, monitoring and review of sustainability data, identifying areas for improvements and addressing gaps, if any. The members work collaboratively to identify sustainability risks, opportunities, and goals, fostering a culture of sustainability throughout the organization.

BOARD OF DIRECTORS

↓

GROUP CEO

↓

GROUP CFO

↓

SEGMENT HEAD

C&W SEGMENT | **EMD SEGMENT** | **T&I SEGMENT** | **SB SEGMENT**

OUR STAKEHOLDERS

We care about our stakeholders and recognise the need to continuously develop our business in a responsible manner. Our internal stakeholders include the Board, management and employees of the Group, whereas the external stakeholders include customers, strategic business partners, employees, regulatory authorities, shareholders, investors, suppliers and vendors. An overview of our approach to engage the various stakeholder groups is shown in the table below (with stakeholders listed in alphabetical order), together with the channels we use to maintain dialogue with them. To better understand our stakeholder concerns, we plan to conduct a stakeholder engagement exercise in FY2024 .

STAKEHOLDERS	MODE OF ENGAGEMENT
CUSTOMERS AND STRATEGIC BUSINESS PARTNERS	• Direct feedbacks via sales channel engagement • Site visits to our production facilities • Assessment and audits performed by customers
EMPLOYEES	• Employee's interactions (i.e employee's survey, CEO dialogue) • Internal updates and communication • Events and functions
REGULATORY AUTHORITIES	• Regular updates and communication • Reports and compliance • Periodical meetings with government bodies • Dialogue with government bodies
SHAREHOLDERS, INVESTORS MEDIA, AND ANALYSTS	• SGX Announcements • Shareholder's meeting • Annual reports • Company's website • Regular updates and communication
SUPPLIERS AND VENDORS	• Periodic supplier's assessment • Supplier's meetings

OUR
MATERIAL TOPICS

In FY2023, we have conducted a benchmarking exercise and reviewed the relevance of our material topics to our business operations. New material topics which have been included in this year's report include Energy, Emissions, Water Use and Efficiency, as well as Diversity and Equal Opportunity.

The material topics have been grouped under three (3) key Sustainability Focus Areas - Our Environmental Efforts, Our People and Governance and Economic Performance, as shown in the table below. These 3 pillars that have been formalised by our Sustainability Committee and approved by the Board, guide us in creating sustainable value for all our stakeholders. The relevant GRI Topic Specific Disclosure(s) used for reporting the performance of each identified material topic is also shown in the table below.

OUR ENVIRONMENTAL EFFORTS	OUR PEOPLE	GOVERNANCE AND ECONOMIC PERFORMANCE
By embracing sustainable practices, we aim to minimise resource consumption, reduce waste generation, and promote the responsible use of energy throughout our operations.	We believe that our greatest strength lies in our people. We are committed to fostering a diverse and inclusive workplace that values and respects individuals' contributions, experiences, and perspectives. We continuously invest in our employees' professional development, well-being, and safety, ensuring a supportive and empowering work environment.	We are dedicated to creating sustainable long-term value for our shareholders. Our Board upholds rigorous corporate governance principles, promotes shareholder engagement, and ensures transparent reporting and accountability.

SUSTAINABILITY FOCUS AREAS	MATERIAL TOPICS	GRI TOPIC SPECIFIC DISCLOSURE
Our Environmental Efforts	Energy	302-1
	Emissions	305-1, 305-2
	Water Use and Efficiency	303-1, 303-2, 303-3
Our People	Employment	401-1
	Training and Education	404-1
	Occupational Health and Safety	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9
	Diversity and Equal Opportunity	405-1
Governance and Economic Performance	Compliance with Laws and Regulations	2-27
	Anti-Corruption	205-3
	Anti-Competitive Behaviour	206-1
	Economic Performance	201-1

OUR
ENVIRONMENTAL EFFORTS

The Group is committed to environmental stewardship and sustainability. We have implemented a comprehensive range of initiatives to minimize our ecological footprint and protect natural resources. Through resource efficiency measures, such as energy and water conservation, waste reduction, and recycling, we strive to optimise our operations and minimise our environmental impact. Currently, three of our sites in Singapore have achieved ISO 14001 certification - Tai Sin Electric Limited, Tai Sin Power Distribution Pte Ltd and CAST Laboratories Pte Ltd.

ENERGY AND EMISSIONS

GRI 302-1 | 305-1 | 305-2

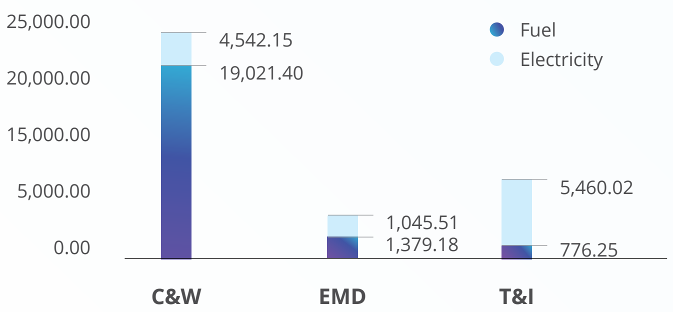
We continuously seek ways to enhance energy efficiency across our operations. Through regular energy assessments, we identify areas for improvement and implement energy-saving technologies and practices. This includes upgrading to energy-efficient equipment, optimising processes, and promoting a culture of energy conservation among our employees. Through the above approaches, we aim to reduce our greenhouse gas emissions and mitigate climate change. We are also exploring the adoption of cleaner energy sources, such as renewable energy, where possible.

In FY2023, our total energy consumption from our Singapore operations amounted to 32,225 GJ. The C&W segment contributed to 73% (or 23,564 GJ) of the energy consumed, while the T&I and EMD segments contributed 19% (6,236 GJ) and 8% (2,425 GJ) respectively. The C&W segment is involved in energy intensive activities of cable manufacturing, production and distribution of high-quality low and medium voltage cables as well as branch cable systems to serve the infrastructure, commercial, residential and industrial sectors.

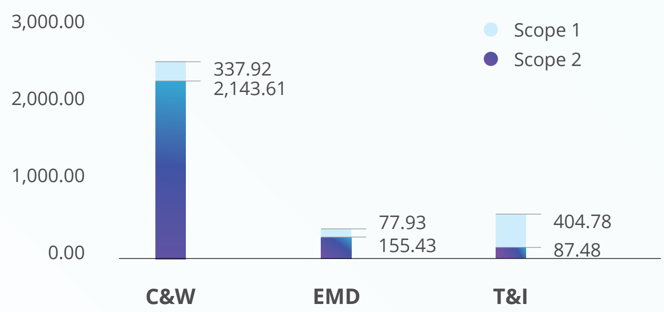
In line with TCFD recommendations, we embarked on a data collection process in FY2023 to track and monitor our greenhouse gas (GHG) emissions and have reported on our Scope 1 and 2 greenhouse gas emissions from our Singapore operations in this year's Report. Our Scope 1 and 2 emissions in FY2023 for the Singapore operations was a total of 3,207 tonnes carbon dioxide equivalent (tCO2e), which came mainly from fuel and electricity use. C&W and T&I activities contributed to approximately 90% of the Scope 1 emissions while C&W manufacturing activities contributed to approximately 90% of the Scope 2 emissions. Most of the Scope 1 emissions are from fuel use for vehicles for daily transportation from the office to clients sites. As part of our overall strategy to reduce emissions, we will be moving away from internal combustion engine vans and new vans being purchased in the future would be electric vans.

In FY2024, we plan to continue to actively measure and monitor our energy consumption and GHG emissions, and aim to set reduction targets once we have a better understanding of our baseline emissions.

Energy Consumption by Division (GJ)



Scope 1 & 2 GHG Emission (tCO_2e)



Scope 1 emissions include the following GHG gases: CO2, CH4 and N2O. All Scope 1 emissions reported are non-biogenic emissions. Source of conversion factors for energy and fuel are IPCC 2006. Scope 2 emissions are location-based GHG emissions and only include CO2; Singapore's grid emission factors were sourced from Energy Market Authority Grid Emission Factors. GWP values applied are based on Fifth Assessment Report (AR5). Consolidation approach was used for computing of GHG emissions.

OUR
ENVIRONMENTAL EFFORTS

Our commitment to conservation of our natural resources extends to the strict monitoring of how it is used in our manufacturing processes, disposed of or recycled, so as to minimise negative impacts on the environment.

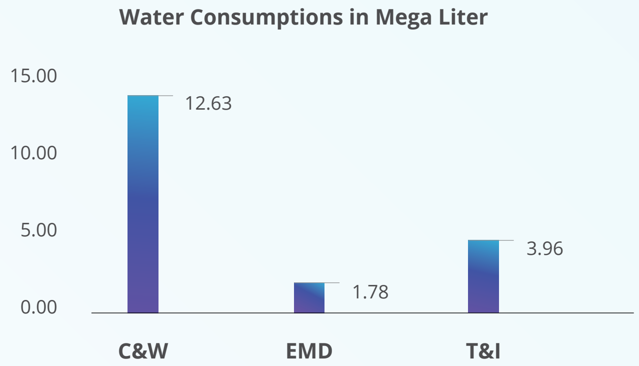
WATER USE AND EFFICIENCY

GRI 303-1 | 303-2 | 303-3

The Group's approach for water use and efficiency is centered around responsible water stewardship and sustainable practices. Our commitment to conservation of our natural resources extends to the strict monitoring of how it is used in our manufacturing processes, disposed of or recycled, so as to minimise negative impacts on the environment. Through regular monitoring and checks, we identify areas of high water consumption and implement measures to reduce wastage and optimize water usage. This includes adopting water-efficient technologies, optimising processes, and promoting a culture of water conservation among our employees.

We tracked and monitored our water consumption in FY2023, starting with data collection for the Singapore operations. A total of 18.37 megaliters (ML) was consumed, all of which was third-party water. Approximately 69% of the total consumed attributable to the C&W segment. T&I and EMD water consumption made up approximately 21% and 10% of the total water consumed respectively. Water is used at the C&W segment for the cooling of our equipment and 100% of water used is recycled while the T&I segment uses water primarily for the testing processes. There is no effluent discharged from our sites. Any water which is discharged is done so in line with local regulations.

In FY2024, we plan to continue to actively measure and monitor our water consumption to identify potential areas for improvement for water conservation. We aim to set reduction targets once we have a better understanding of our baseline water consumption.



Based on WRI Aqueduct Water Risk Atlas, Singapore is considered a low water stress location currently and also for the future (2050) under a "business as usual" scenario.

OUR **PEOPLE**

In the last 43 years, we have developed into one of Singapore's leading industrial group. Our global workforce employs a total of approximately 950 employees across our operation in Southeast Asia. To develop the range of products necessary to meet the needs of our customers, talent is actively sought after at various levels of employment, from production line to senior management. We believe in fostering a culture of respect, inclusion, and continuous development; and prioritise the well-being and professional growth of our employees through the creation of a positive and supportive workplace environment where all employees can thrive, grow, and contribute to the company's success.

EMPLOYMENT

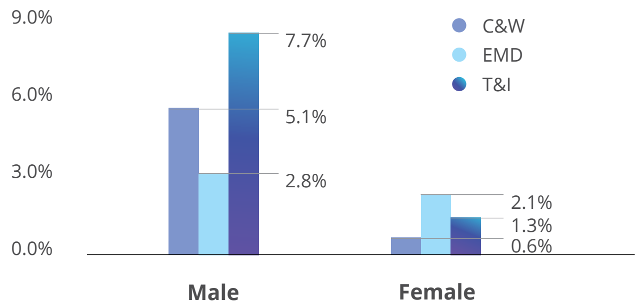
GRI 401-1

We conduct comprehensive workforce planning to align our hiring needs with our strategic objectives. This involves identifying the skills and competencies required to drive organisational success and developing targeted recruitment strategies to attract qualified candidates. We strive to promote diversity and inclusivity throughout our hiring process. By implementing unbiased recruitment practices and ensuring equal opportunities for all applicants, we seek to eliminate biases in job descriptions, interview processes, and candidate evaluations, focusing solely on merit and potential.

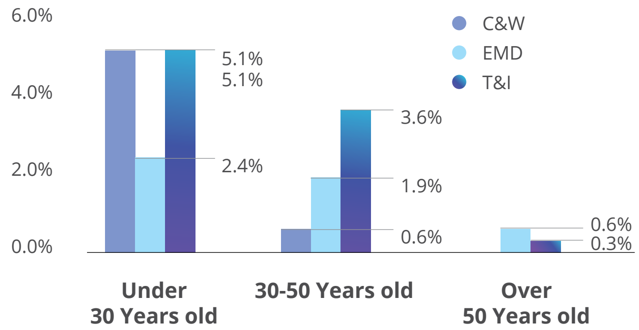
Our total staff strength in Singapore was 633 employees as at 30 June 2023, comprising 282 employees from T&I, 163 from C&W and 188 from EMD. Our overall hiring rate in FY2023 was 19.6%, of which 12.6% were employees aged 30 years old and below. Our turnover rate was 13.1%.

The high attrition rate in T&I was due mainly to blue collar staff who were recruited based on project requirements, and reflects the nature of the business or industry. We aim to improve our employee retention rate in FY2024 and have put in place upgrading opportunities for our employees to improve their skills, thus creating opportunities for career advancement in the group.

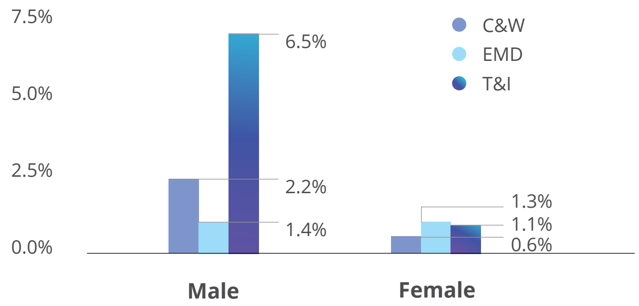
Hiring Rate by Gender



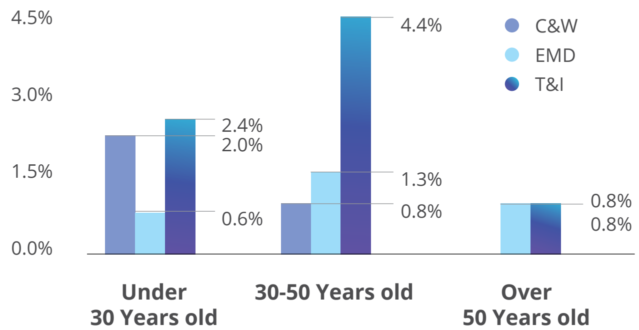
Hiring Rate by Age Group



Turnover Rate by Gender



Turnover Rate by Age Group



OUR **PEOPLE**

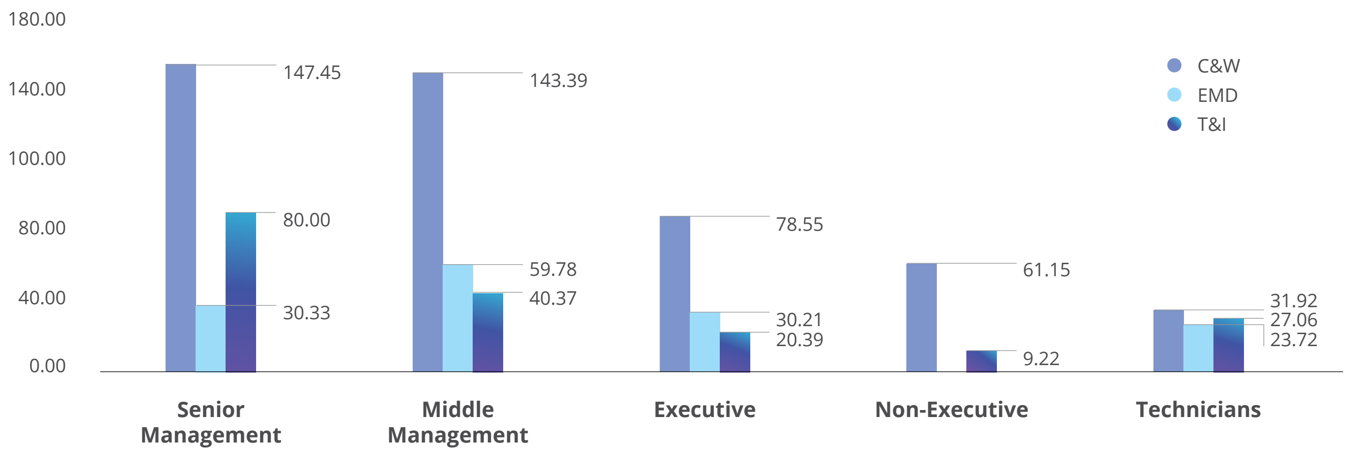
TRAINING AND EDUCATION
GRI 404-1

The core of any business is its people, our employees undergo various training to equip them with the knowledge and skills to ensure they are competent in the work they do. These training programs offer opportunities for employees to improve their skills and also allows us to enhance productivity and improve our company culture. We believe that employees who are provided with regular opportunities to learn, develop, and advance are more likely to stay with a company, thus we leverage on in-house training, thirdparty training, or off-site activities to provide such opportunities for our employees.

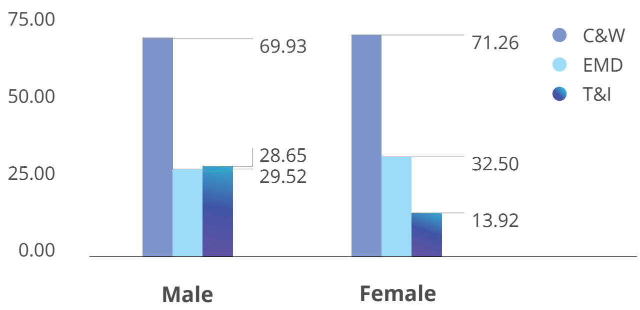
In FY2023, each of our employees attended an average of 39 hours of training on topics ranging from product related training, soft skills, leadership programs, data analytics, software tools such as excel, corporate tax and robotics. This is above our target set last year, which was an average of 18 training hours per employee per year. Both male and female employees have equal opportunities to attend the various training courses, as well as employees from different categories. All employees are encouraged to participate in competency and skill upgrading programmes to help them stay up to update on changes in their industry.

In FY2024, we aim to attain an average of 40 hours of training per employee.

Average Training Hours by Employee Category



Average Training Hours by Gender



OUR **PEOPLE**

At our operations in Singapore, all employees are covered under a Group health plan which includes basic health insurance, free visits to the panel clinic doctors, personal accident coverage as well as hospital and surgery coverage.

OCCUPATIONAL HEALTH AND SAFETY

GRI 403-1 | 403-2 | 403-3 | 403-4 | 403-5 | 403-6 | 403-7 | 403-9

We are committed to ensuring a safe and healthy work environment for all employees. We adhere to stringent health and safety regulations, conduct regular risk assessments, and implement robust safety protocols. Regular training and awareness programs ensure that our employees are equipped with the knowledge and resources to prioritise their own safety and the safety of their colleagues. Together with the site's EHS officer or manager, the general manager for each site ensures that the company meets all required occupational health and safety standards and that employees adhere to these standards.

Two of our entities in Singapore – Tai Sin Electric Limited and CAST Laboratories Pte Ltd, have both achieved ISO 45001 Occupational Health and Safety Management System. Tai Sin Electric Limited and CAST Laboratories Pte Ltd are bizSAFE Star certified and all other entities in Singapore except ElectGo Pte Ltd are bizSAFE Level 3 certified. ElectGo Pte Ltd is an eCommerce company currently with zero headcount and safety related certifications will be considered as its employee base expands.

OUR **PEOPLE**

Our employees are encouraged to make recommendations or suggestions to their respective managers or supervisors on how to improve health and safety in the workplace. In the event an employee finds themselves in a hazardous situation, they can cease work immediately and report to their supervisor.

All workers are briefed on health and safety topics during orientation when they first join the company. Regular safety briefings are conducted through toolbox meetings and safety related information is also communicated to employees through notice boards, emails and risk assessment briefings. Health and safety committees at each of the sites meet on average once a month to review the effectiveness of implementation of the company's health and safety policies and procedures. They are also involved in the review of safety concerns from workers and assist in the investigation and closure of these concerns.

Cases of health and safety incidents are to be reported to the direct supervisor or manager, and investigations carried out by the Workplace Safety and Health ("WSH") committee or relevant Team Leaders. In the event of an incident or accident, each site follows their own internal reporting process but it would involve an initial reporting of the incident or accident to the manager or direct supervisor and then informing the safety officer or safety committee who will then investigate the incident together with the relevant parties to identify the root cause and follow up with corrective action. A formal investigation report is then filed and signed off by the site's general manager.

As part of our company's efforts to promote worker health, some of the activities organised by the sites include eat healthy day and sporting events. At our operations in Singapore, all employees are covered under a Group health plan which includes basic health insurance, free visits to the panel clinic doctors, personal accident coverage as well as hospital and surgery coverage.

Examples of health and safety training provided for our workers include general safety induction for new employees, emergency response, work at height, construction safety orientation course, building construction supervisor course, forklift operations as well as lifting operations. Emergency drills and table-top exercises are carried out at least annually for our operations in Singapore.

We had no fatalities in FY2023, however, in spite of our efforts to ensure safety is the priority for all our employees, we had 16 cases of recordable work-related injuries in FY2023 resulting in a recordable workplace injury rate of 10.9 and one case of high-consequence work related injury resulting in a high-consequence work injury rate of 0.68. The main types of work injuries were hand and finger injuries although the high-consequence work injury resulted in a head injury due to a worker failing to adhere to required safety procedures while unloading goods from the lorry. We have since reinforced safety protocols with all logistics personnel to ensure they are fully aware of safety procedures that need to be complied with. We aim for zero recordable work-related injuries in FY2024 through the various training programs and also enhancing the importance of safety awareness among the employees.

DIVERSITY AND EQUAL OPPORTUNITY

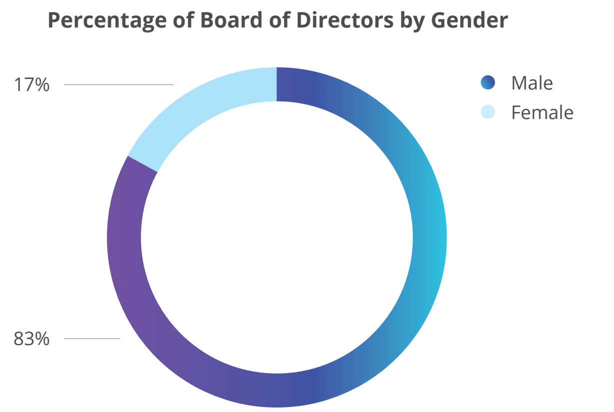
GRI 405-1

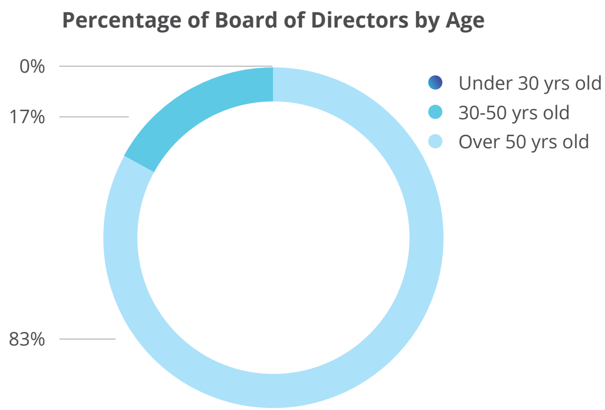
We are committed to fair labour practices for every employee, and are dedicated to the principles of the Tripartite Alliance for Fair & Progressive Employment Practices ("TAFEP"). Female make up almost 30% of our workforce across the six companies in Singapore, and in three of our companies – LKH Precicon Pte Ltd, Lim Kim Hai Electric Co (S) Pte Ltd and Tai Sin Power Distribution Pte Ltd, female comprise 50% or more of their total workforce. We believe in rewarding fairly, based on an individual's ability, performance, contribution and experience, and on merit. Similarly, recruitment is merit-based. We do not discriminate on the basis of age, race, gender or religion when it comes to employment, training or other work-based opportunities.

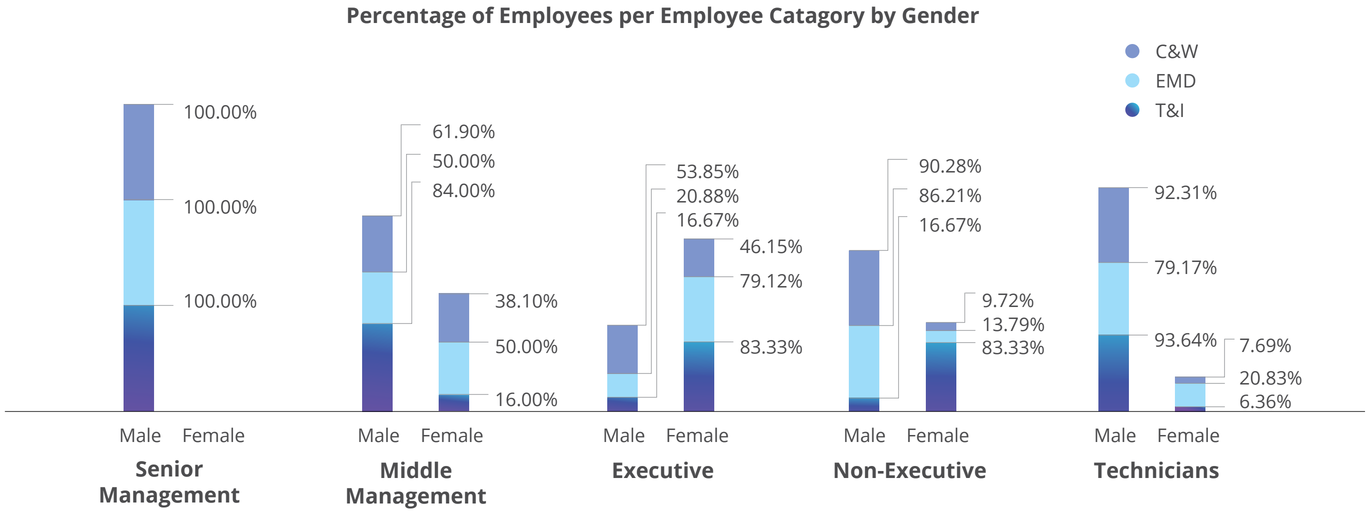
In FY2023, our Board of Directors comprises of 17% female and 83% male and all the members of the Board are aged 50 years and above. In our operations in Singapore, females form 37% of middle management and 73% of executive level staff. 56% of our staff are aged between 30-50 years old, 21% are below 30 years old, and 23% are aged 50 years old and above.

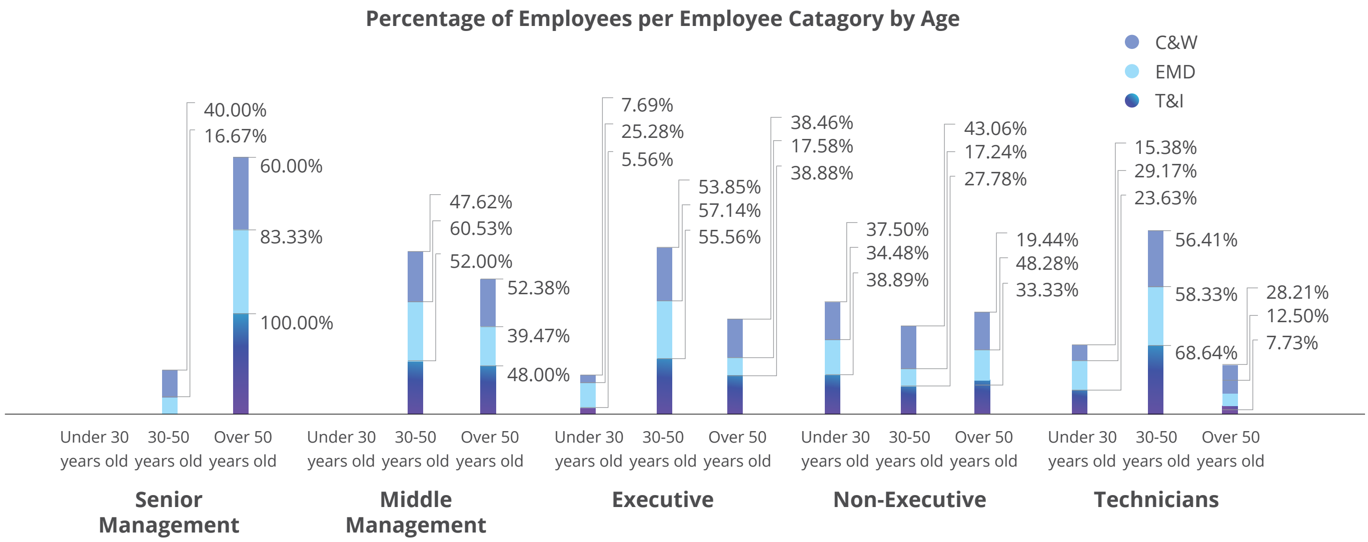
In FY2024, we aim to enhance our efforts to promote equal opportunities for all people and to support a culture of diversity, equity & inclusion in the workplace. We shall focus on increasing diversity of our mid- to senior-level colleagues. Having aspirational representation goals across levels will help ensure we not only have diverse talent in leadership roles, but will also help us build a diverse talent pipeline for the future.

OUR
PEOPLE









* *FY2022 data has not been included for comparison as a different category breakdown (by entity rather than business segment, and different employee categories) was used in the previous year. Moving forward, the methodology will remain the same for comparison in the coming years.*

GOVERNANCE AND **ECONOMIC PERFORMANCE**

We comply with all relevant laws and regulations, and adheres to all standards of governance. Regulatory decisions are public and open to public scrutiny through our annual report. Our adherence to the Corporate Governance Code helps to achieve transparency, accountability and integrity, thus strengthening investor confidence and achieving long-term sustainable business performance and value.

COMPLIANCE WITH LAWS AND REGULATIONS

GRI 2-27

We prioritise compliance with the laws and regulations in all jurisdictions where we operate, and recognise that such laws are in place to enable companies to conduct business in a fair and equitable manner. The company is strongly committed to responsible conduct and expects our employees to comply with laws, regulations and voluntary self-commitments.

Although we set a target last year which was to have no cases of significant fines or non-monetary sanctions, unfortunately there were two non-monetary sanctions in FY2023 associated with the Ministry of Manpower's mandatory Safety Time Out ("STO") requirement which took place from 1 to 15 September 2022. During this period, all companies in the affected sectors were required to suspend operations temporarily to review safety procedures and complete the STO activities in the STO Checklist. However, two of our entities did not complete the STO Checklist by the required date of 15 September 2022 and were penalised by MOM from hiring new work pass holders for 1 month. This was an oversight on the part of the two entities. Group HR has since reinforced the sharing of exceptional event reporting during regular meetings.

In FY2024, we aim to ensure full compliance with all socioeconomic and environmental laws and regulations.

ANTI-CORRUPTION

GRI 205-3

We maintain our integrity through robust policies and training, and a strictly-enforced code of conduct, with which all new hires are familiarised. Additionally, key messages are continually reinforced, and possible conflict of interest situations are closely monitored and a whistleblowing policy is also in force. A list of important company policies is also briefed to all employees during their orientation covering the following topics:

- Code Of Conduct
- Code of Business Conduct
- Dishonest Practices And False Accounting
- Adherence To Legislation
- Conflict Of Interest, Gifts And Inducement
- Fraud Policy

In FY2023, we had no incidents of corruption which warranted sanctions or legal action. We have achieved our target set last year and are committed to maintaining this zero-corruption target for FY2024.

ANTI-COMPETITIVE BEHAVIOUR

GRI 206-1

In the wake of the pandemic, the electrical cable manufacturing industry has seen increased pressure to optimise scarce resources amid the growing need to meet demand while maintaining stakeholders' interests. Throughout this increasingly difficult period, our stance has been one of fairness while striving to maintain competitiveness. We see this as integral to the services we offer to clients, and as added value to the products we deliver. This has been our policy even prior to the recent disruptions to industry.

No incidents of anti-competitive behaviour, anti-trust or monopolistic practices were reported against us in FY2023. We have achieved our target set last year and have also set zero incidents as our target for FY2024.

ECONOMIC PERFORMANCE

GRI 201-1

The past three years have been challenging times since the Group started operations four decades ago. But there has been a definite improvement in the past two quarters, spurred by the reignition of the global industrial engine, as manufacturers and businesses strive to return to normal, pre-pandemic conditions. Buoyed by positive sentiments and encouraged by the renewed vigour of its workforce, the Group redoubled its efforts and has seen definite improvements. While challenges remain, we are committed to carry on while we comply with the rules and regulations in the jurisdictions where we operate, for the benefit of our stakeholders, and the communities and causes which we support. Please refer to our Annual Report 2023 Page 62 for details on our financial performance.

COMMUNITY **ENGAGEMENT**

In FY2023, our employees also participated in charity fund raising activities such as the Yellow Ribbon Race held on 25 September 2022 which aims to increase awareness on, and garner support from corporations and the public to provide second chances to ex-offenders and this build a more inclusive society.

Giving back to the community forms an integral part of our corporate identity. We believe in being a responsible corporate citizen and making a positive impact on the communities in which we operate. Through our Corporate Social Responsibility initiatives, we actively engage in various community development programs, philanthropic endeavours, and partnerships with local organisations. By actively participating in community development, we aim to uplift lives, empower individuals, and contribute to the society as a whole.

In FY2023, our employees also participated in charity fund raising activities such as the Yellow Ribbon Race held on 25 September 2022 which aims to increase awareness on, and garner support from corporations and the public to provide second chances to ex-offenders and this build a more inclusive society. 101 of our employees also participated in the SGX Bull Charge Charity Run on 11 November 2022 to play our part in raising funds to support the needs of underprivileged children and families, persons with disabilities, as well as the elderly. We also participated in social welfare programs such as WeCare@North West by helping to pack and distribute food to approximately 200 families living in the area.

PERFORMANCE **DATA**

ENVIRONMENTAL EFFORTS

Energy and Emissions (GRI 302-1 | 305-1 | 305-2)

ENERGY CONSUMPTION				
GJ	C&W	EMD	T&L	TOTAL
Fuel	4,542.15	1,045.51	5,460.02	11,047.68
Electricity	19,021.40	1,379.18	776.25	21,176.83
Total	23,563.55	2,424.69	6,236.27	32,224.51

SCOPE 1 & 2 GHG EMISSION				
tCO_2	C&W	EMD	T&L	TOTAL
Scope 1	337.92	77.93	404.78	820.63
Scope 2	2,143.61	155.43	87.48	2,386.52
Total	2,481.53	233.36	492.26	3,207.15

Water Use and Efficiency (GRI 303-1 | 303-2 | 303-3)

WATER CONSUMPTION			
	C&W	EMD	T&I
Mega Liter	12.63	1.78	3.96

PEOPLE

Employment (GRI 401-1)

TOTAL NO. OF NEW HIRES	C&W		EMD		T&I		TOTAL	
	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023
Male	10	32	11	18	67	49	88	99
Female	3	4	17	13	9	8	29	25
Total	13	36	28	31	76	57	117	124
Under 30 years old	11	32	15	15	29	32	55	79
30-50 years old	2	4	11	12	44	23	57	39
Over 50 years old	0	0	2	4	3	2	5	6
Total	13	36	28	31	76	57	117	124

HIRING RATE	C&W		EMD		T&I		TOTAL	
	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023
Male	1.7%	5.1%	1.8%	2.8%	11.3%	7.7%	14.7%	15.6%
Female	0.5%	0.6%	2.9%	2.1%	1.5%	1.3%	4.9%	4.0%
Total	2.2%	5.7%	4.7%	4.9%	12.8%	9.0%	19.6%	19.6%
Under 30 years old	1.9%	5.1%	2.5%	2.4%	4.9%	5.1%	9.2%	12.6%
30-50 years old	0.3%	0.6%	1.9%	1.9%	7.4%	3.6%	9.6%	6.1%
Over 50 years old	0.0%	0.0%	0.3%	0.6%	0.5%	0.3%	0.8%	0.9%
Total	2.2%	5.7%	4.7%	4.9%	12.8%	9.0%	19.6%	19.6%

TOTAL NO. OF EMPLOYEES WHO LEFT THE ORGANISATION	C&W		EMD		T&I		TOTAL	
	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023
Male	7	14	8	9	56	41	71	64
Female	4	4	15	8	8	7	27	19
Total	11	18	23	17	64	48	98	83
Under 30 years old	10	13	8	4	21	15	39	32
30-50 years old	1	5	9	8	40	28	50	41
Over 50 years old	0	0	6	5	3	5	9	10
Total	11	18	23	17	64	48	98	83

TURNOVER RATE	C&W		EMD		T&I		TOTAL	
	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023
Male	1.2%	2.2%	1.3%	1.4%	9.4%	6.5%	11.9%	10.1%
Female	0.7%	0.6%	2.5%	1.3%	1.3%	1.1%	4.5%	3.0%
Total	1.9%	2.8%	3.8%	2.7%	10.7%	7.6%	16.4%	13.1%
Under 30 years old	1.7%	2.0%	1.3%	0.6%	3.5%	2.4%	6.5%	5.0%
30-50 years old	0.2%	0.8%	1.5%	1.3%	6.7%	4.4%	8.4%	6.5%
Over 50 years old	0.0%	0.0%	1.0%	0.8%	0.5%	0.8%	1.5%	1.6%
Total	1.9%	2.8%	3.8%	2.7%	10.7%	7.6%	16.4%	13.1%

Note: All business segment as indicated in these tables only include Singapore operations

PERFORMANCE **DATA**

Training And Education (GRI 404-1)

BY EMPLOYEE CATEGORY	C&W			EMD			T&I			TOTAL		
	TOTAL NO. OF HOURS	TOTAL NO. OF EMPLOYEES	AVERAGE TRAINING HOURS	TOTAL NO. OF HOURS	TOTAL NO. OF EMPLOYEES	AVERAGE TRAINING HOURS	TOTAL NO. OF HOURS	TOTAL NO. OF EMPLOYEES	AVERAGE TRAINING HOURS	TOTAL NO. OF HOURS	TOTAL NO. OF EMPLOYEES	AVERAGE TRAINING HOURS
Senior Management	737.25	5	147.45	182.00	6	30.33	80.00	1	80.00	999.25	12	83.27
Middle Management	3,011.25	21	143.39	2,271.74	38	59.78	1,009.25	25	40.37	6,292.24	84	74.91
Executive	2,042.17	26	78.55	2,748.71	91	30.21	367.00	18	20.39	5,157.88	135	38.21
Non-Executive	4,403.02	72	61.15	0	29	0	166.00	18	9.22	4,569.02	119	38.40
Technicians	1,245.00	39	31.92	569.24	24	23.72	5,953.00	220	27.06	7,767.24	283	27.45
Total	11,438.69	163	70.18	5,771.69	188	30.70	7,575.25	282	26.86	24,785.63	633	39.16

BY GENDER	C&W			EMD			T&I			TOTAL		
	TOTAL NO. OF HOURS	TOTAL NO. OF EMPLOYEES	AVERAGE TRAINING HOURS	TOTAL NO. OF HOURS	TOTAL NO. OF EMPLOYEES	AVERAGE TRAINING HOURS	TOTAL NO. OF HOURS	TOTAL NO. OF EMPLOYEES	AVERAGE TRAINING HOURS	TOTAL NO. OF HOURS	TOTAL NO. OF EMPLOYEES	AVERAGE TRAINING HOURS
Male	9,301.01	133	69.93	2,521.23	88	28.65	6,907.00	234	29.52	18,729.24	455	41.16
Female	2,137.68	30	71.26	3,250.46	100	32.50	668.25	48	13.92	6,056.39	178	34.02
Total	11,438.69	163	70.18	5,771.69	188	30.70	7,575.25	282	26.86	24,785.63	633	39.16

* *FY2022 data has not been included for comparison as a different category breakdown (by entity rather than business segment) was used in the previous year. Moving forward, the methodology will remain the same for comparison in the coming years.*

Occupational Health and Safety (GRI 403-1 | 403-2 | 403-3 | 403-4 | 403-5 | 403-6 | 403-7 | 403-9)

	FY2023*	
	NO. OF CASES	RATE
Fatalities as a result of work-related injury	0.00	0.00
High-consequence work-related injuries (excluding fatalities)	1.00	0.68
Recordable work-related injuries	16.00	10.90
Total man-hours worked		1,467,315.64

* *All rates calculated above are based on 1,000,000 man-hours worked so as to align with GRI 403-9 requirements.*
Due to a different methodology for computation of health and safety performance, only data for FY2023 is shown in the table above. FY2022 and earlier years' data was computed based on 100,000 employees. Moving forward, the methodology will remain the same for comparison in the coming years.

PERFORMANCE **DATA**

Diversity And Equal Opportunity (GRI 405-1)

PERCENTAGE OF EMPLOYEES PER EMPLOYEE CATEGORY BY GENDER	SENIOR MANAGEMENT		MIDDLE MANAGEMENT		EXECUTIVE		NON-EXECUTIVE		TECHNICIANS		TOTAL	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMAIE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
C&W	100.00%	0.00%	61.90%	38.10%	53.85%	46.15%	90.28%	9.72%	92.31%	7.69%	81.60%	18.40%
EMD	100.00%	0.00%	50.00%	50.00%	20.88%	79.12%	86.21%	13.79%	79.17%	20.83%	46.81%	53.19%
T&I	100.00%	0.00%	84.00%	16.00%	16.67%	83.33%	16.67%	83.33%	93.64%	6.36%	82.98%	17.02%
Total	100.00%	0.00%	63.10%	36.90%	26.67%	73.33%	78.15%	21.85%	92.23%	7.77%	71.88%	28.12%

PERCENTAGE OF EMPLOYEES PER EMPLOYEE CATEGORY BY AGE	SENIOR MANAGEMENT			MIDDLE MANAGEMENT			EXECUTIVE			NON-EXECUTIVE			TECHNICIANS			TOTAL		
	UNDER 30 YEARS OLD	30-50 YEARS OLD	OVER 50 YEARS OLD	UNDER 30 YEARS OLD	30-50 YEARS OLD	OVER 50 YEARS OLD	UNDER 30 YEARS OLD	30-50 YEARS OLD	OVER 50 YEARS OLD	UNDER 30 YEARS OLD	30-50 YEARS OLD	OVER 50 YEARS OLD	UNDER 30 YEARS OLD	30-50 YEARS OLD	OVER 50 YEARS OLD	UNDER 30 YEARS OLD	30-50 YEARS OLD	OVER 50 YEARS OLD
C&W	0.00%	40.00%	60.00%	0.00%	47.62%	52.38%	7.69%	53.85%	38.46%	37.50%	43.06%	19.44%	15.38%	56.41%	28.21%	21.47%	48.47%	30.06%
EMD	0.00%	16.67%	83.33%	0.00%	60.53%	39.47%	25.28%	57.14%	17.58%	34.48%	17.24%	48.28%	29.17%	58.33%	12.50%	21.28%	50.53%	28.19%
T&I	0.00%	0.00%	100.00%	0.00%	52.00%	48.00%	5.56%	55.56%	38.88%	38.89%	27.78%	33.33%	23.63%	68.64%	7.73%	21.28%	63.47%	15.25%
Total	0.00%	25.00%	75.00%	0.00%	54.76%	45.24%	19.26%	56.30%	24.44%	36.98%	34.45%	28.57%	22.97%	66.08%	10.95%	21.33%	55.61%	23.06%

GRI CONTENT INDEX

Statement of use	Tai Sin Electric has reported the information cited in this GRI content index for the period 1 Jan 2022 to 31 Dec 2022 with reference to the GRI Standards
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2 General Disclosures (2021)	2-27: Compliance with laws and regulations	29
GRI 201 Economic Performance (2016)	201-1: Direct economic value generated and distributed	29
GRI 205 Anti-Corruption (2016)	205-3: Confirmed incidents of corruption and actions taken	29
GRI 206 Anti-Competitive Behaviour (2016)	206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	29
GRI 302 Energy (2016)	302-1: Energy consumption within the organization	22, 31
GRI 303 Water & Effluents (2018)	303-1 : Interactions with water as a shared resource	23, 31
	303-2: Management of water discharge-related impacts	23
	303-3: Water Withdrawal	23
GRI 305 Emissions (2016)	305-1: Direct (Scope 1) emissions	22, 31
	305-2: Energy indirect (Scope 2) emissions	22, 31
GRI 401 Employment (2016)	401-1: New employee hires and employee turnover	24, 31
GRI 403 Occupational Health and Safety (2018)	403-1: Occupational health and safety management system	26-27, 32
	403-2: Hazard identification, risk assessment, and incident investigation	26-27
	403-3: Occupational health services	26-27
	403-4: Worker participation, consultation, and communication on occupational health and safety	26-27
	403-5: Worker training on occupational health and safety	26-27
	403-6: Promotion of worker health	26-27
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	26-27
	403-9: Work-related injuries	26-27, 32
GRI 404 Training and Education (2016)	404-1: Average hours of training per year per employee	25, 32
GRI 405 Diversity and Equal Opportunity (2016)	405-1: Diversity of governance bodies and employees	27-28, 33

CORPORATE **GOVERNANCE**

The Board of Directors (the "Board") of Tai Sin Electric Limited (the "Company") is committed to high standards of corporate conduct in conformity with the Code of Corporate Governance dated 6 August 2018 (last amended 11 January 2023) (the "2018 Code") which is essential to protect the interests of the shareholders and enhance shareholders' value.

The Board adheres to the principles and provisions of the 2018 Code subject to such disclosure and explanation of any deviation with the exception of the following:

(a) Provision 11.4 - the provision in the Company's Constitution for absentia voting at general meetings of shareholders; and
(b) Provision 11.6 - the provision of a corporate dividend policy.

The following describes the Company's corporate governance practices with reference to the 2018 Code.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

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

As at the date of this Annual Report, the Board of the Company comprises the following members:

<u>Non-Executive and Non-Independent Director</u>
Lim Chye Huat @ Bobby Lim Chye Huat (Chairman)

<u>Executive Director</u>
Lim Boon Hock Bernard (Executive Director/Chief Executive Officer ("CEO"))

<u>Non-Executive and Independent Directors</u>
Soon Boon Siong (Lead Independent Director)
Lee Fang Wen
Renny Yeo Ah Kiang
Seow Boon Teng (appointed on 1 January 2023)

Roles of the Board *(Provision 1.1, Practice Guidance 1)*

Apart from its statutory duties and responsibilities, the Board performs the following functions:

(a) provides entrepreneurial leadership, sets strategic objectives, and ensures that the necessary financial and human resources are in place for the Group to meet its objectives;
(b) ensures presence of a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;
(c) challenges Management and reviews their performance;
(d) sets the Group's values and standards, appropriate tone-from-the-top and desired organisational culture, and ensures that obligations to shareholders and other stakeholders are understood and met;
(e) appoints Key Management Personnel;
(f) reviews the financial performance of the Group and implements policies relating to financial matters, which include risk management and internal control and compliance;

CORPORATE **GOVERNANCE**

(g) assumes responsibility for corporate governance and sustainability-related matters (including climate-related issues); and

(h) ensures transparency and proper accountability within the Company and to key stakeholder groups.

These functions are carried out either directly by the Board or through Board Committees, namely, Nominating Committee ("NC"), Remuneration Committee ("RC") and Audit and Risk Committee ("ARC").

Directors' discharge of duties and responsibilities *(Provision 1.1)*

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries and take decisions in the interests of the Company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

Delegation of Authority to Board Committees *(Provision 1.3, 1.4)*

Matters which are specifically reserved to the full Board for decision include those involving a conflict of interest for a substantial shareholder or a Director, material acquisition and disposal of assets, corporate or financial restructuring, share issuance, dividends, financial results and corporate strategies.

The Board delegates its nominating functions to the NC, remuneration matters to the RC, and reviewing of financial statements, risks and internal controls to the ARC.

Meetings of Board and Board Committees *(Provision 1.5)*

Formal Board meetings are held at least four (4) times a year to oversee the business affairs of the Group, and to approve, if applicable, any financial or business objectives and strategies. Ad-hoc meetings are convened when the circumstances require. The Company's Constitution allow a Board meeting to be conducted by way of tele-conference and video conference.

During the financial year, the Board held four (4) meetings. Details of Directors' attendance at every Board and Board Committee meeting held in the financial year ended 30 June 2023 ("FY2023") are as follows:

<table>
<tr><th rowspan="2">NAME</th><th colspan="2">BOARD</th><th colspan="2">AUDIT AND RISK COMMITTEE</th><th colspan="2">REMUNERATION COMMITTEE</th><th colspan="2">NOMINATING COMMITTEE</th></tr>
<tr><th>No. of meetings held</th><th>No. of meetings attended</th><th>No. of meetings held</th><th>No. of meetings attended</th><th>No. of meetings held</th><th>No. of meetings attended</th><th>No. of meetings held</th><th>No. of meetings attended</th></tr>
<tr><td>Lim Chye Huat @ Bobby Lim Chye Huat</td><td rowspan="6">4</td><td>4</td><td rowspan="6">4</td><td>4</td><td rowspan="6">2</td><td>2</td><td rowspan="6">2</td><td>2</td></tr>
<tr><td>Lim Boon Hock Bernard</td><td>4</td><td>N.A.</td><td>N.A.</td><td>N.A.</td></tr>
<tr><td>Soon Boon Siong</td><td>4</td><td>4</td><td>2</td><td>2</td></tr>
<tr><td>Lee Fang Wen</td><td>4</td><td>4</td><td>2</td><td>2</td></tr>
<tr><td>Renny Yeo Ah Kiang</td><td>4</td><td>4</td><td>2</td><td>2</td></tr>
<tr><td>Seow Boon Teng (appointed on 1 January 2023 as Non-Executive and Independent Director and appointed ARC, NC & RC Member on 1 July 2023)</td><td>2</td><td>N.A.</td><td>N.A.</td><td>N.A.</td></tr>
</table>

Note: N.A. means Not Applicable.

CORPORATE **GOVERNANCE**

Internal Guidelines Require Approval from Board *(Provision 1.3)*

The Company has adopted internal guidelines setting forth matters that require Board approval. Under these guidelines, major new capital investments and divestments by any company within the Group require the approval of the Board. Other matters requiring the Board's decision include business strategy, budgets and half year and annual results announcement. Below the Board level, there is appropriate delegation of authority and approval sub-limits at Management level, to facilitate operational efficiency.

Director's Appointment and Training *(Provision 1.2)*

A formal letter is sent to newly appointed Director upon his / her appointment stating his / her duties and obligations as director. Management Accounts, Terms of Reference of Board Committees and Minutes of Board and Board Committee meetings and shareholders meetings are made available to newly appointed Directors to enable them to understand the Company's business and operations. Introductory meetings are arranged, where appropriate, to acquaint them with Key Management Personnel. Other than Ms. Seow Boon Teng who was appointed Non-Executive and Independent Director of the Company on 1 January 2023, there were no other Directors appointed during FY2023. Ms. Seow Boon Teng had in 2022 attended the Listed Entity Directors ("LED") Program conducted by the Singapore Institute of Directors ("SID"), namely, (i) LED 1 – Listed Entity Director Essentials; (ii) LED 2 – Board Dynamics; (iii) LED 3 – Board Performance; (iv) LED 4 – Stakeholder Engagement; (v) LED 5 – Audit Committee Essentials; and (vi) LED 6 – Board Risk Committee Essentials, as prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST"), to familiarise herself with the roles and responsibilities as a Director of a listed company in Singapore. An introductory meeting was arranged for Ms. Seow Boon Teng, newly appointed Non-Executive and Independent Director, to have understanding of the affairs of the Group's business and to meet with the Key Management Personnel of the Company.

The Company has adopted a Board Development Policy in the year 2020. The Board recognises the importance and value of ongoing training and development and the need for each Director to take personal responsibility for this process.

To facilitate ongoing training and development:

(a) All Directors are encouraged to keep themselves updated on developments relevant to the Company's business, changes in laws and regulations and the like.
(b) All Directors, in particular, new and first time Directors are encouraged to attend relevant courses, seminars, updating of regulations talks organised by regulatory bodies and professional institutions such as SID and Singapore Exchange Limited ("SGX"). The Company has an approved budget for such on-going training for its Directors.

During FY2023, Directors kept themselves abreast with regulatory changes, governance topics and other matters which had assisted them in their duties as Directors by attending courses or seminars.

Details of the courses attended with attendance hours totaling 48.0 hours are as follows:

- SID - Audit And Risk Committee Seminar 2023 – Sustainability Through Governance
- SGX - Fast Track To Governance Event
- SID - LED - Environment, Social And Governance Essential (Core)
- SID - Managing Supply Chain Shifts And Shortages
- SID - Operationalising Sustainability For Directors
- SID - Singapore Governance And Transparency Forum 2022 – Driving Sustainability Through Governance
- SGX - Strategic Tax Planning In A Complex Business Environment
- CCIS* - Workplace Safety And Health Control Measure

* CCIS Singapore Pte Ltd

All the Directors have attended the required training on sustainability matters as prescribed by the SGX-ST.

CORPORATE **GOVERNANCE**

Access to Information *(Provision 1.6)*

To assist the Board in fulfilling its responsibilities, Management is required to provide the Board with complete, adequate, and timely information prior to each Board meeting. In addition, Management is required to provide the Board with monthly financial and management reports.

Board Access to Management, the Company Secretary, and External Advisers *(Provision 1.7)*

Directors have separate and independent access to Management and the Company Secretaries, and vice versa.

If any of the Directors require independent professional advice in the furtherance of their duties, the cost of such professional advice, subject to the Board's approval, will be borne by the Company.

Under the Constitution of the Company, the decision to appoint or remove the Company Secretary(ies) is subject to the approval of the Board.

BOARD COMPOSITION AND GUIDANCE

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

Composition, Size of the Board and Independent Element of the Board *(Provision 2.1, 2.2, 2.3, Practice Guidance 2)*

The Board comprises six (6) Directors, one (1) of whom is executive, one (1) is non-executive and non-independent and four (4) are non-executive and independent. This current size is sufficient to facilitate effective direction-setting and decision making needed by the Company.

The Board has reviewed its size and concludes that a size of not more than eight (8) is appropriate given the requirements of the Group's business and the need to avoid undue disruptions to the composition of the Board Committees.

The Company complies with the 2018 Code's requirement for having a majority of the Board to be made up of Independent Directors, where the Chairman is not independent and the Chairman and the CEO are immediate family members. Four (4) out of the six (6) Directors are non-executive and independent, namely, Mr. Soon Boon Siong, Mr. Lee Fang Wen, Mr. Renny Yeo Ah Kiang and Ms. Seow Boon Teng. The independence of each Director is reviewed and confirmed by the NC annually. None of them has any relationship with the Company, its related corporations, its substantial shareholders, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his / her independent business judgement with a view to the best interests of the Company.

The NC is of the view that the four (4) Non-Executive Directors are independent as defined in the 2018 Code as well as being independent in conduct, character, and judgement. No individual or small group of individuals dominates the Board's decision making process. The Board concurs with the views of the NC on the independence of these four (4) Directors.

The profile of each Director and other relevant information is set out under "Board of Directors" Section of this Annual Report.

CORPORATE **GOVERNANCE**

The Board recognises that Non-Executive and Independent Directors will over time, develop significant insights in the Group's business and operations, and continue to provide objective valuable contribution to the Board as a whole. The Board is of the view that the independence of a Director ought not to be determined solely on the basis of a set period of time a Director has served on the Board. Nevertheless, when there are Directors who have served beyond nine (9) years, the NC and the Board will rigorously review their continuing contributions and independence and decide if they should continue with the appointment.

Mr. Soon Boon Siong, Non-Executive and Independent Director, has served on the Board for an aggregate period of more than nine (9) years from the date of his first appointment on 7 November 2012. Mr. Soon Boon Siong was last re-elected a Director of the Company on 29 October 2021 and the continued appointment of Mr. Soon Boon Siong as an Independent Director of the Company was approved by shareholders, via the two-tier vote mechanism, at the Company's Extraordinary General Meeting held on 9 December 2021 with effect from 1 January 2022 until the earlier of his retirement or resignation as a Director or until the conclusion of the third annual general meeting ("AGM") of the Company following the passing of the aforesaid resolutions.

The SGX-ST had, with effect from 11 January 2023, removed, the two-tier vote mechanism under Rule 210(5)(d)(iii) of the SGX-ST Listing Manual and imposed a hard tenure of nine-year for Independent Directors. Pursuant to Rule 210(5)(d)(iv) of the SGX-ST Listing Manual which came into effect on 11 January 2023, Independent Directors whose tenure exceeds the nine-year limit may continue to be considered independent until the conclusion of the next AGM of the Company for the financial year ending on or after 31 December 2023.

Under Rule 210(5)(d)(iv) of the Listing Rules of the SGX-ST, Mr. Soon Boon Siong can continue to be Non-Executive and Independent Director until the Company's AGM to be held in October 2024. This will allow the Board and the NC a one-year time frame to reconstitute the Board.

Board Diversity *(Provision 2.4, Practice Guidance 2)*

On an annual basis, the NC will review the composition and size of the Board, each Board Committee and the skills, and core competence of its members to ensure an appropriate balance and diversity of skills and experience.

Core competencies include accounting, business acumen, industry knowledge related to the Company, familiarity with regulatory and compliance requirements and knowledge of risk management.

The Board is of the view that there is sufficient diversity in skills, experience and knowledge of the Company in its current Board composition to maximise effectiveness in the oversight of the Group's business and operations.

The Company recognises and embraces the benefits of diversity of experience, age, skills, gender and ethnics on the Board ("Board Diversity"). Board Diversity supports the attainment of the Group's strategic objectives and its sustainable development. The Company has adopted a Board Diversity Policy in the year 2020, and embraced many aspects of diversity in the current Board composition. The Board has not set targets or objectives in relation to other aspects of diversity such as age, gender, ethnicity and religion. The Board has reservations on setting a quota as a target, as it may detract from the more fundamental principle that the candidate must be of the right fit and meet the relevant needs and vision of the Board and Company at the material time. The Board selects Directors based on merit, taking into account the right blend of competencies, skills, industry knowledge and other qualities needed to complement other members of the Board.

CORPORATE **GOVERNANCE**

As part of succession planning and Board renewal, the NC sourced potential candidates to broaden Board Diversity further and in areas such as age, gender, and entrepreneurship. During FY2023, the Board approved the appointment of Ms. Seow Boon Teng as Non-Executive and Independent Director of the Company with effect from 1 January 2023 after having considered the NC's recommendation and assessed Ms. Seow's background, qualifications, knowledge, expertise, industry experience and credentials.

The Board currently has one (1) female Director out of the six (6) Directors in recognition of the importance of gender diversity. The NC and Board consider the current mix, size and composition of the Board to be sufficiently diverse to foster independent constructive debate and avoid groupthink and reflect the Company's commitment to Board diversity.

The Company remains committed to embracing the Board Diversity Policy and any further progress made towards implementation of its policy will be disclosed in future Annual Reports.

Non-Executive Directors *(Provision 2.5)*

Directors are encouraged and are given ample time to consider and deliberate on all matters in Board meetings. The salient views and recommendations of Non-Executive Directors are recorded in minutes of meetings and where applicable are adopted. The Independent Directors communicate amongst themselves by email or telephone on matters concerning the Company and have met without the presence of the Executive Director and Management.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

Separate Role of Chairman and Group CEO *(Provision 3.1, 3.2, Practice Guidance 3)*

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has a considerable concentration of power.

Mr. Lim Boon Hock Bernard, the son of Mr. Lim Chye Huat @ Bobby Lim Chye Huat, is our Executive Director / CEO. He is responsible for the implementation of the Group's strategies, policies and conduct of the Group's operations and business.

Mr. Lim Chye Huat @ Bobby Lim Chye Huat is our Non-Executive and Non-Independent Chairman and has been appointed as Director of the Company since 1997. Given Mr. Lim Chye Huat @ Bobby Lim Chye Huat's contribution to the success of the Company over the past years and the presence of a strong independent element on the Board, it is the view of the Board that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and no major decisions are made by an individual exercising any considerable concentration of power or influence. Furthermore, more than half of the Board is made up of Non-Executive and Independent Directors and all the Board Committees are chaired by Non-Executive and Independent Directors.

Roles and Responsibilities of Chairman *(Provision 3.2)*

The Chairman leads the Board proceedings and ensures that Board meetings are held when necessary. The Chairman is also responsible for ensuring the effectiveness of the Board and its governance processes, while the CEO is the most senior executive in the Company who is responsible for implementing the Company's strategies and policies and monitoring the Company's day-to-day operations.

CORPORATE **GOVERNANCE**

Role of Lead Independent Director *(Provision 2.5, 3.3, Practice Guidance 2)*

The Board has appointed Mr. Soon Boon Siong as the Lead Independent Director since 1 November 2018. Mr. Soon Boon Siong is the Chairman of ARC, and a member of NC and RC. He leads and co-ordinates the activities of the Non-Executive and Independent Directors and calls meetings of the Non-Executive and Independent Directors where necessary. Where applicable, appropriate feedback will be made to the Chairman and CEO. Mr. Soon Boon Siong is available to shareholders when they have concerns and where contact through the normal channels of the Company has failed to resolve those concerns or for which the normal channels are inappropriate or inadequate.

BOARD MEMBERSHIP

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

NC Membership *(Provision 1.4, 4.1, 4.2)*

The NC comprises the following five (5) Directors, all of whom are non-executive and the majority of whom, including the Chairman, are independent:

(a) Renny Yeo Ah Kiang (Chairman)
(b) Lee Fang Wen
(c) Soon Boon Siong
(d) Lim Chye Huat @ Bobby Lim Chye Huat
(e) Seow Boon Teng (appointed on 1 July 2023)

The Board has approved the written terms of reference of the NC. The main terms of reference are:

(a) to be responsible for the re-nomination of the Company's Directors, having regard to the Director's contribution and performance;
(b) to determine annually whether or not a Director is independent, bearing in mind the guidelines set out in the 2018 Code and any other factors;
(c) to decide whether or not a Director is able to and has been adequately carrying out his / her duties as a Director;
(d) to regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared with its current position and make recommendations to the Board with regard to any changes;
(e) to give full consideration to succession planning for Directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future;
(f) to be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
(g) before any appointment of Directors is made by the Board, to evaluate the balance of skills, knowledge and experience on the Board and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the NC shall consider candidates on merit and against objective criteria, taking care that appointees are able to devote sufficient time to the position. The NC ensures that new Directors are aware of their duties and obligations; and
(h) to keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensure the continued ability of the Company to compete effectively in the marketplace.

CORPORATE **GOVERNANCE**

Roles of NC *(Provision 4.1, 4.3, 4.5, Practice Guidance 4)*

The NC shall also make recommendations to the Board concerning:

(a) the re-appointment of any Non-Executive Director at the conclusion of his / her specified term of office having given due regard to his / her performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
(b) the nomination of newly appointed Directors (if any) and Directors for re-election at each AGM under the "appointment and retirement of Directors" provisions in the Company's Constitution having due regard to his / her performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
(c) the review of Board succession plans for the Non-Executive and Non-Independent Chairman and CEO / Executive Director and other Directors;
(d) the review of training and professional development programs for the Board; and
(e) any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company.

According to Rule 720(5) of the SGX-ST Listing Manual, all directors must submit themselves for re-nomination and re-appointment at least once every three (3) years. In addition, the Company's Constitution requires one-third of the Directors for the time being (excluding the CEO) to retire by rotation and subject themselves to re-election at every AGM. A newly appointed Director must retire and submit himself / herself for re-election at the AGM immediately following his / her appointment and thereafter, is subjected to the one-third rotation rule.

Mr. Lim Boon Hock Bernard, the CEO is not required to retire under the Company's Constitution. However, in compliance with Rule 720(5) of the SGX-ST Listing Manual, he will offer himself for re-appointment at AGMs once every three (3) years.

NC's Determination of Independent Director's Independence *(Provision 4.4)*

On an annual basis, all Independent Directors have submitted to the NC and the Board for review and concurrence, a written confirmation on whether they consider themselves to be independent as set forth in the 2018 Code. Independent Directors are required to notify the Board when there are circumstances arising which render them non-independent. The Independent Directors continue to regard themselves as independent and the same has been confirmed by the NC and the Board.

Commitments of Directors Sitting on Multiple Boards *(Provision 1.5, 4.5, Practice Guidance 4)*

The Board has adopted internal guidelines addressing competing time commitments that are faced when Directors serve on multiple boards. The guidelines provide that each full-time Director can only have a maximum limit of four (4) directorships in a publicly listed company on the SGX-ST or international stock exchanges. Furthermore, for directorships already held, not more than two (2) of the four (4) are in companies where their financial year end is 30 June.

All Directors are required to submit to the NC details of other directorships held by them during the financial year as well as information on other major appointments including full-time employment. In such submission, they are required to confirm that they have sufficient time to pay attention to the affairs of the Company. Having reviewed the submissions, in respect of FY2023, the NC is of the view that the Directors are able to carry out their duties as Directors of the Company and that each Director has discharged his / her duties adequately.

CORPORATE **GOVERNANCE**

Alternate Directors *(Practice Guidance 4)*

The Company's Constitution provides for the appointment of alternate directors. The Board has decided that it will, as stated in the 2018 Code, generally avoid approving the appointment of alternate directors and should any appointment be made, it will be for limited periods only. No alternate director was appointed in FY2023.

Process for Selection and Appointment of New Directors and Key Information on Directors *(Provision 4.3, 4.5, Practice Guidance 4)*

Where a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new director with particular skills, the NC will in consultation with the Board, determine the selection criteria and choose candidates with the appropriate expertise and experience for the position.

Generally, the NC will review annually the Board's composition and should the need to appoint and / or replace directors arise, it will review nominations from Board members. In its review, the NC will take into account the relevant skill sets, qualifications, conflicts of interests and other commitments.

The NC will interview the nominees and recommend to the Board the most appropriate person to be invited to become a Director of the Company.

The selection criteria include attributes such as integrity, diversity of competencies, industry knowledge and financial literacy. The NC seeks potential candidates widely and beyond Directors' / Management's recommendations and is empowered to engage external parties, such as professional search firms, to undertake research on or assessment of candidates as it deems necessary.

The NC then meets with the shortlisted candidates with the appropriate profile to assess suitability and to ensure that the candidates are aware of the expectation and the level of commitment required, before nominating the most suitable candidate to the Board for approval and appointment as a new Director.

Key information of Directors is set out under the "Board of Directors" section of this Annual Report.

BOARD PERFORMANCE

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

Formal Process and Performance Assessment *(Provision 4.1)*

The NC has adopted a formal process for the evaluation of the performance of individual Directors, Board Committees and the Board as a whole.

Evaluation Process *(Provision 5.1, 5.2, Practice Guidance 5)*

The assessment process involves and includes input from the Board members and individual Directors in self-evaluation and peer review, applying the performance criteria recommended by the NC and approved by the Board. The Directors' input is collated by the Company Secretary and reviewed by the Chairman of the NC, who presents a summary of the overall assessment to the NC for review. Areas where the Board's performance and effectiveness could be enhanced and recommendations for improvement are then submitted to the Board for discussion and for implementation.

CORPORATE GOVERNANCE

Board Performance Criteria

The performance criteria for the Board evaluation are as follows:

- Board skills set / competency / diversity
- Financial target and operating performance
- Board performance in relation to discharging its principal functions
- Board's relationship with the CEO
- Board Committees in relation to discharging their responsibilities set out in their respective terms of reference

Individual Director's Performance Criteria

The individual Director's performance criteria are categorised into five (5) segments, namely:

- Interactive skills
- Knowledge
- Director's duties
- Availability
- Overall contribution

Non-Executive and Non-Independent Chairman and CEO Performance Criteria

The performance criteria for the Non-Executive and Non-Independent Chairman and the CEO are as follows:

- Vision and leadership
- Financial management
- Board relations
- Governance and risk management
- Relations with shareholders

The NC, without the engagement of an external facilitator, has performed the assessment for FY2023 and is of view that the performance of individual Directors and the Board as a whole, were satisfactory and sufficient time and attention have been given by the Directors in the discharge of their duties to the Group. In addition, the NC had reviewed and confirmed to the Board the independence of the Non-Executive and Independent Directors.

For FY2023, the NC has also recommended the nomination of Ms. Seow Boon Teng, Mr. Lee Fang Wen and Mr. Lim Chye Huat @ Bobby Lim Chye Huat for re-election as Directors at the Company's forthcoming AGM, after having considered the qualification, experience, expertise, knowledge and skills, performance of the above-named retiring Directors and review of his / her independence. The Board has reviewed and concluded that each of Ms. Seow Boon Teng, Mr. Lee Fang Wen and Mr. Lim Chye Huat @ Bobby Lim Chye Huat is well qualified and suitable for re-election as Director of the Company and has accepted the NC's recommendation.

CORPORATE **GOVERNANCE**

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

RC Membership *(Provision 1.4, 6.1, 6.2, Practice Guidance 6)*

The current RC comprises the following five (5) Directors all of whom are non-executive and the majority of whom, including the Chairman, are independent:

(a) Lee Fang Wen (Chairman)
(b) Soon Boon Siong
(c) Renny Yeo Ah Kiang
(d) Lim Chye Huat @ Bobby Lim Chye Huat
(e) Seow Boon Teng (appointed on 1 July 2023)

Roles of RC *(Practice Guidance 6)*

The Board has approved the written terms of reference of the RC. The main terms of reference are:

(a) To propose a framework of remuneration for Directors and Key Management Personnel, covering all aspects of remuneration, including but not limited to director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind;
(b) To recommend specific remuneration policies and packages for Directors and Key Management Personnel;
(c) To consider the recruitment of Executive Directors and determine their employment terms and remuneration and to review the terms of renewal for those Executive Directors whose current employment contracts will expire or had expired;
(d) To structure an appropriate proportion of Executive Director's remuneration so as to link rewards to corporate and individual performance;
(e) To develop appropriate and meaningful measures for the purpose of assessing Executive Director's performance; and
(f) To seek expert advice inside and / or outside the Company as the RC may deem necessary to enable it to discharge its duties satisfactorily.

Remuneration Framework *(Provision 6.3)*

The RC reviews annually the remuneration of Directors and Key Management Personnel. For the Executive Directors, their remuneration is stated in their service agreement and their compensation packages consist of salaries, bonuses, benefits-in-kind and annual profit sharing incentive bonus which is dependent on the Group's performance. For the Non-Executive Directors, their fees comprise basic director fee, their respective appointment fees and benefits-in-kind. For Key Management Personnel, the remuneration components include salaries, allowances, bonuses, benefits-in-kind and annual profit sharing incentive bonus which is dependent on the respective companies' performance under their portfolio.

CORPORATE **GOVERNANCE**

RC Access to advice on Remuneration Matters *(Provision 6.4, Practice Guidance 6)*

The RC may from time to time obtain independent professional advice as it deems necessary in reviewing the remuneration of Directors. The expenses incurred from such advice shall be borne by the Company.

The latest review on remuneration of Directors was conducted previously by AON Hewitt Singapore Pte Ltd during the financial year 2019. AON Hewitt Singapore Pte Ltd does not have any relationship with the Company that could affect its independence and objectivity. The RC will commission another review when the need arises. The Company did not appoint any external remuneration consultants in FY2023.

Fair and Reasonable Termination Terms *(Provision 6.3)*

The RC has reviewed the Group's obligations arising in the event of termination of the Executive Director's and Key Management Personnel's contracts of service and is satisfied that termination terms are fair and reasonable and are not overly generous.

LEVEL AND MIX OF REMUNERATION

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

Remuneration of Executive Directors *(Provision 7.1, 7.3)*

The Company sets remuneration packages which:

(a) align interests of Executive Directors with those of shareholders;
(b) link rewards to corporate and individual performance; and
(c) are competitive and sufficient to attract, retain and motivate Directors and Key Management Personnel with adequate experience and expertise to manage the business and operations of the Group.

Executive Directors are compensated as part of the Key Management Personnel and therefore do not receive any Director's fee. The remuneration for Executive Directors comprises fixed component and bonus and other variable component. The fixed component comprises basic salary, the compulsory employer's contribution to the employee's CPF (Singapore Central Provident Fund) and benefits-in-kind; while the bonus and other variable component comprises performance bonus and annual profit sharing incentive bonus which is dependent on the Group's performance for the financial year.

Long-Term Incentive Scheme *(Practice Guidance 7)*

The Company does not have any long-term incentive scheme for its Directors and Key Management Personnel. There is also no policy which requires Non-Executive Directors to purchase shares in the Company and hold them till they leave the Board.

The Board believes that notwithstanding such absence, the Directors' and Key Management Personnel's interests in the Company are still in line with the interests of its shareholders.

CORPORATE **GOVERNANCE**

Remuneration of Non-Executive Directors *(Provision 7.2)*

Non-Executive Directors are paid a basic member fee and an additional fee for serving on any of the Board Committees. In determining the quantum of such fees, factors such as frequency of meetings, time spent, responsibilities of Non-Executive Directors, and the need to be competitive in order to attract, motivate and retain these Directors are taken into account.

The RC has assessed the adequacy and structure of remuneration framework of Non-Executive Directors taking into consideration the review conducted previously by the external consultant, AON Hewitt Singapore Pte Ltd in FY2019 with subsequent research carried out internally and has proposed to the Board the following framework under which the Director Fees are derived:

	Annual Fee ($)	
	Chairman	**Member**
Board	25,000	32,000
Audit and Risk Committee	18,000	12,000
Nominating Committee	9,000	3,000
Remuneration Committee	9,000	3,000

	Annual Fee ($)
Lead Independent Director	5,000

The Board has assessed and approved the remuneration framework and, based on the RC's recommendation, proposed an amount of up to $316,000 as Director's fees for the financial year ending 30 June 2024 ("FY2024"), to be paid quarterly in arrears and an additional Director's fee of $16,000 for the period from 1 January 2023 to 30 June 2023 in respect of FY2023 to be paid to Ms. Seow Boon Teng who was appointed as Non-Executive and Independent Director on 1 January 2023.

At the last AGM held on 31 October 2022, shareholders' approval had been sought for the payment of Director's fees of up to $266,000 for FY2023. After taking into account the additional Director's fee of $16,000 to be paid to Ms. Seow Boon Teng, the total Director's fees for FY2023 would be $282,000.

Director's fees are only payable to Non-Executive Directors. The proposed Director's fees for FY2024 are not payable to Executive Directors.

For the existing Independent Non-Executive Directors, the Board believes that they were not and will not be overcompensated to the extent that their independence may be compromised.

Incentive Components of Remuneration *(Practice Guidance 7)*

The Board has not introduced any contractual provisions to allow the Company to reclaim incentive components from Executive Directors and Key Management Personnel in exceptional circumstances including for example, misstatement of financial results, or misconduct resulting in financial loss to the Company.

CORPORATE **GOVERNANCE**

DISCLOSURE ON REMUNERATION

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

Remuneration of Directors *(Provision 8.1, 8.3. Practice Guidance 8)*

No payment was made or granted to any Director, CEO or the top five (5) Key Management Personnel in relation to termination benefit in FY2023.

The remuneration of the Directors (including the CEO) for services rendered during FY2023 is as follows:

Name of Director	Remuneration ($'000)	Director's Fee	Salary & CPF	Bonus & Other Variable Components & Benefits-In-Kind	Total
Lim Boon Hock Bernard	988	–	50%	50%	100%
Lim Chye Huat @ Bobby Lim Chye Huat	81	93%	–	7%	100%
Soon Boon Siong	73	100%	–	–	100%
Lee Fang Wen	59	100%	–	–	100%
Renny Yeo Ah Kiang	59	100%	–	–	100%
Seow Boon Teng	16	100%	–	–	100%

Remuneration of Top Five Key Management Personnel *(Provision 8.1, 8.3, Practice Guidance 8)*

The table below sets out the remuneration received by the top five (5) Key Management Personnel of the Group (who are not Directors or the CEO) during FY2023.

Remuneration Band	Name	Director's Fee	Salary & CPF	Bonus & Other Variable Components & Benefits-In-Kind	Total
$350,000 to below $400,000	Ong Wee Heng	10%	64%	26%	100%
$300,000 to below $350,000	Lin Chen Mou	2%	66%	32%	100%
	Lim Chai Lai @ Louis Lim Chai Lai	6%	64%	30%	100%
	Chia Ah Heng	6%	68%	26%	100%
	Tan Yong Hwa	2%	63%	35%	100%

The aggregate remuneration paid to the above Key Management Personnel was $1.71 million in FY2023.

CORPORATE **GOVERNANCE**

No Director is involved in determining his / her own remuneration. The remuneration of the Non-Executive Directors is in the form of a fixed fee. The remuneration of the Non-Executive Directors are subjected to shareholders' approval at the AGM of the Company.

Employee who is Substantial Shareholder or who is Related to Directors, CEO and Substantial Shareholders *(Provision 8.2)*

The following are employees whose remuneration exceeds $100,000 during FY2023 and who are substantial shareholders and / or immediate family members of Mr. Lim Chye Huat @ Bobby Lim Chye Huat and Mr. Lim Boon Hock Bernard and substantial shareholders, Mdm. Pang Yoke Chun, Mr. Lim Boon Chin Benjamin, Mr. Lim Boon Hoh, Benedict, Mdm. Guah Li Mei, Joanna, Mr. Lim Chai Lai @ Louis Lim Chai Lai and Mdm. Chan Kum Lin.

		Relationship With							
		Non-Executive Chairman	CEO	Substantial Shareholder					
Remuneration Band	**Employee's Name**	**Lim Chye Huat @ Bobby Lim Chye Huat**	**Lim Boon Hock Bernard***	**Pang Yoke Chun***	**Lim Boon Chin Benjamin**	**Lim Boon Hoh, Benedict#**	**Guah Li Mei, Joanna#**	**Lim Chai Lai @ Louis Lim Chai Lai^**	**Chan Kum Lin^**
Refer to Directors Remuneration	Lim Boon Hock Bernard	Son		Husband	Brother	Brother	Brother-in-law	Nephew	Nephew-in-law
	Lim Chye Huat @ Bobby Lim Chye Huat		Father	Father-in-law	Father	Father	Father-in-law	Brother	Brother-in-law
Refer to Top Five Key Management Personnel Remuneration	Chia Ah Heng	Brother-in-law	Uncle	Uncle-in-law	Uncle	Uncle	Uncle-in-law	Brother-in-law	Brother-in-law
	Lim Chai Lai @ Louis Lim Chai Lai	Brother	Uncle	Uncle-in-law	Uncle	Uncle	Uncle-in-law		Husband
$150,000 to below $200,000	Lim Boon San Lionel	Nephew	Cousin	Cousin-in-law	Cousin	Cousin	Cousin-in-law	Son	Son
$100,000 to below $150,000	Lim Boon Hoh, Benedict	Son	Brother	Brother-in-law	Brother		Husband	Nephew	Nephew-in-law
	Lim Chye Kwee	Brother	Uncle	Uncle-in-law	Uncle	Uncle	Uncle-in-law	Brother	Brother-in-law

*/#/^ Husband and Wife, therefore, each are deemed to have an interest in shares of the spouse

Employee Share Scheme *(Provision 8.3)*

Employee Share Option Scheme

The Company does not have a share option scheme.

CORPORATE **GOVERNANCE**

Remuneration and Performance *(Provision 8.1)*

The Company's remuneration framework for its Executive Directors is stated in "Remuneration of Executive Directors" of this Corporate Governance Report.

For Key Management Personnel, their remuneration comprises fixed component, bonus and other variable performance component. The fixed component comprises basic salary and the compulsory employer's contribution to the employee's CPF; while the bonus and other variable component and benefits comprise performance bonus, profit sharing and benefits-in-kind that are presented on the basis of cost incurred for the financial year. The bonus and other variable performance components amount are dependent on their individual performance as measured by their respective key performance indicators, as well as the performance of the Group as a whole.

The Company does not have any long-term incentive scheme as explained in "Long-Term Incentive Scheme" of this Corporate Governance Report.

ACCOUNTABILITY AND AUDIT
RISK MANAGEMENT AND INTERNAL CONTROLS

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

Accountability for Accurate Information *(Practice Guidance 9)*

In discharging its responsibility of providing accurate relevant information on a timely basis, the Board ensures that the Group's audited financial statements, half year and full year results announcements of the Group provide a balanced and understandable assessment of the Group's performance, position and prospects and that the results are released in a timely manner.

The half year and full year results announcements are reviewed for adoption at the quarterly meetings of the ARC and the Board. Any material variances between the actual results and projections / previous periods are investigated and explained.

In accordance with the SGX-ST's requirements, the Board issues negative assurance statements in its interim financial results announcements confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the results announcements false or misleading in any material aspect.

Compliance with Legislative and Regulatory Requirements

The Board is kept abreast with changes to the legislative and regulatory requirements from Management to ensure compliance with Group's policies, practices and procedures and relevant legislative and regulatory requirements.

Management Accounts

Management updates the Board regularly on the Group's business activities and financial performance through providing management accounts and business reviews at quarterly Board meetings. Management also highlights major issues that are relevant to the Group's performance in order for the Board to make a balanced and informed assessment of the Group's performance, position and prospects.

CORPORATE **GOVERNANCE**

Design, Implementation and Monitoring *(Provision 9.1, Practice Guidance 9)*

The Board recognises the importance of maintaining a sound system of risk management and internal controls to safeguard the shareholders' interests and the Group's assets. The Board, with the assistance from the ARC oversees and ensures that such system has been appropriately implemented and monitored.

Risk Management

The Board has approved a Risk Management Framework for identifying key risks within the business segments. The risk defined in the framework range from strategic risks, financial risks and operational risks that include compliance and information technology risks. The Group adopts a bottom-up approach to assess the risk exposure, designed treatment plan and remedial action. Risk types are assigned with risk exposure rating based on the likelihood and consequence of each risk identified. The risk exposure rating determines the extent of risk exposure and the treatment plan. The Group's risk management framework's focus is on building a culture where the Group mitigates its risk exposure by calibrating risks to acceptable levels while achieving the Group's business plans and goals.

The Board is responsible for overseeing the Group's Risk Management Framework and policies and ensures that Management maintains a sound system of risk management and internal controls.

Risk Management Principles

The risk management framework has been integrated throughout the Group and has become an essential part of its business planning and monitoring process. On an annual basis, the ARC will review and report to the Board on the Group's risk profile, evaluate results and control measures to mitigate or transfer identified potential risks so as to provide assurance to itself and the Board that the process is operating effectively as planned.

The Group recognises risk management as a collective effort, beginning with the individual subsidiaries and followed by the business segments and ultimately Management and the Board, working as a team. A self-assessment process, conducted annually by the respective Business Segment Senior Management, was introduced to ensure that the Group's risk management activities are in order.

Risks that affect the achievement of the business objectives and financial performance of the Group are being identified and reviewed based on current controls in place. Risks identified are rated in terms of likelihood and impact, entailing the tolerable exposures as well as those requiring close attention. Risk matrix tables summarised the top risks to the Group, which were derived through the Risk Rating and discussion with the Key Management Personnel of the respective subsidiaries.

Risk Tolerance

The Group has three (3) risk tolerance guiding principles to determine the nature and extent of the significant risks, which the Group is willing to take in achieving its strategic objectives.

These principles are:

(a) Risk taken should be carefully evaluated, commensurate with rewards and in line with the Group's strategic objectives;
(b) Risk arising from a single area of operation, investment or undertaking, should not be so huge as to endanger the entire Group; and
(c) Risk arising from safety breaches or lapses, non-compliance with laws and regulations, fraud, bribery and corruption, are not acceptable.

CORPORATE **GOVERNANCE**

The Group adopts a balanced approach to risk management. The Group recognises that not all risks can be eliminated, and will only undertake appropriate and well considered risks to optimise returns for the Group.

The Group remains vigilant against emerging threats that may affect the different businesses. The Group will regularly review its risk management system to ensure that it is adequate and effective.

The CEO and the Chief Financial Officer ("CFO") are responsible in implementing the Company's strategy, strengthening the Group's risk management culture, and ensuring the overall framework of risk management is comprehensive and responsive to changes in the business. They regularly review the completeness and accuracy of risk assessments, risk reporting and the adequacy of risk mitigation efforts. The CEO and the CFO, in turn, place reliance on their business segments to monitor and manage operational risks on an ongoing basis, as well as to identify emerging risks.

The Risk Management Framework is designed to provide reasonable, but not absolute, assurance that the Group's assets are safeguarded, the risks facing the business are being assessed and all information that may be required to be disclosed is reported to the Board through the ARC. The ARC has reviewed the current Risk Management Framework and together with the Board are of the view that it remains appropriate for FY2023.

Internal Controls

An internal control system has been implemented to enhance the Group's internal control function to address the financial, operational, compliance and information technology risks. The internal control measures aim to ensure that the Group's assets are safeguarded, proper accounting records are maintained, and financial information used within the business and for publication is reliable.

Staff / Director Securities Dealing Rules & Procedures

In compliance with Rule 1207(19) of the SGX-ST's Listing Manual, the Company's Internal Code Governing Dealings in Securities ("Internal Code") stipulate that :

(a) Officers of the Tai Sin Group should not deal in Tai Sin's securities on short term considerations;
(b) Tai Sin and its officers should not deal in the securities of Tai Sin while in possession of unpublished material price sensitive information; and
(c) Tai Sin and its officers should not deal in the securities of Tai Sin during the period commencing one (1) month before the announcement of its annual or half-year financial results, and ending on the date of announcement of the relevant results.

The Company's Internal Code also reminds officers of the Tai Sin Group that the law on insider dealing is applicable at all times, notwithstanding that the Internal Code may provide certain window periods for Tai Sin or its officers to deal in its securities.

Adequacy and Effectiveness of Risk Management and Internal Control Systems

During the financial year under review, the ARC reviewed reports submitted by the Internal Auditors relating to the adequacy and effectiveness of the Group's internal controls, including the adequacy of the Group's financial, operational, compliance and information technology controls (collectively known as "internal controls"). Such reviews include discussions and follow ups with Internal Auditors on their salient audit findings.

CORPORATE **GOVERNANCE**

The Board acknowledges its responsibility for the Group's internal controls but recognises that no effective control system will entirely eliminate the risk of misstatement or loss. Based on the internal controls established and maintained by the Group, the work performed by the Internal Auditors, the review undertaken by the External Auditors as part of their statutory audit, supervision by Management and in the absence of any evidence to the contrary, the Board, with the concurrence of the ARC, is of the opinion that the Group's existing system of internal controls is adequate and effective in addressing financial, operational, compliance and information technology risks as at 30 June 2023.

Board's Comment on Adequacy and Effectiveness of Internal Controls *(Provision 9.2)*

The ARC and the Board have received assurance:

(a) from the CEO and CFO that the financial records of the Group have been properly maintained and the financial statements for FY2023 give a true and fair view of the Group's operations and finances; and
(b) from the CEO and other Key Management Personnel that the system of risk management and internal controls in place within the Group is adequate and effective in addressing material risks in the Group in its present business environment including material financial, operational, compliance and information technology risks.

Based on the framework of risk management controls and internal controls established and maintained in the Group, the work performed by the internal auditors, the review undertaken by the external auditors as part of their statutory audit and the written assurance from the CEO and CFO that the financial records have been properly maintained, the Board is of the opinion that the Group's risk management and internal control systems are adequate and effective for FY2023.

The ARC concurs with the Board's comment that there are adequate and effective risk management and internal control systems in place to address risks relating to financial, operational, compliance and information technology controls and there were no material weaknesses of the Group's internal control and risk management systems identified during the year under review.

Risk Committee *(Provision 9.1, Practice Guidance 9)*

The responsibility of overseeing the Company's risk management framework and policies is undertaken by the ARC with the assistance of the internal and external auditors. Having considered the Company's business operations as well as its existing internal control and risk management systems, the Board is of the view that a separate risk committee is not required for the time being.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

ARC Membership *(Provision 1.4, 10.2)*

The ARC comprises the following five (5) Directors all of whom are non-executive and the majority of whom, including the Chairman, are independent :

(a) Soon Boon Siong (Chairman)
(b) Lee Fang Wen
(c) Renny Yeo Ah Kiang
(d) Lim Chye Huat @ Bobby Lim Chye Huat
(e) Seow Boon Teng (appointed on 1 July 2023)

CORPORATE **GOVERNANCE**

Expertise of ARC Members

The ARC members bring with them invaluable professional expertise in the recommended accounting and / or related financial management domains. The Board has ensured that they are appropriately qualified to discharge their responsibilities.

Roles, Responsibilities and Authorities of ARC *(Provision 10.1)*

The ARC has explicit authority to investigate any matter within its Terms of Reference. It has full access to and has the full cooperation of the Company's Management. It has full discretion to invite any Director or executive officer to attend its meetings. In addition, the ARC has independent access to the Internal and External Auditors. The ARC has reasonable resources to enable it to discharge its functions properly.

The ARC is guided by its Terms of Reference which stipulate that its principal functions include:

(a) Reviewing the annual audit plans of the internal and external auditors as well as their audit findings and recommendations;
(b) Reviewing the adequacy and effectiveness of internal controls by considering written reports from internal and external auditors, and Management responses and actions to correct any deficiencies;
(c) Reviewing the assurance from the CEO and the CFO on the financial records and financial statements;
(d) Reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
(e) Reviewing the Group's results announcements and annual consolidated financial statements in conjunction with the External Auditor's comments before submitting to the Board for approval;
(f) Reviewing interested person transactions;
(g) Reviewing the adequacy, effectiveness and independence of internal audit function; and
(h) Reviewing the adequacy, effectiveness and independence of External Auditors, their fees and recommend the nomination of the External Auditors for appointment or re-appointment.

Meeting with External and Internal Auditors *(Provision 10.5)*

During FY2023, the Company's External and Internal Auditors were invited to attend the ARC meetings and make presentations where appropriate. They also met the ARC separately without the presence of Management to review matters that might be raised privately.

Review of External Auditors' Independence *(Provision 10.1)*

The ARC reviewed the non-audit services provided by the External Auditors ("EA") as part of the ARC's assessment of the EA's independence. The ARC is satisfied that the nature and extent of such services would not conflict with the independence of the EA. The ARC is satisfied with the independence and objectivity of the EA. For FY2023, the aggregate fee of $500 thousand was paid to the EA of the Company, of which $54 thousand was for non-audit services.

Whistle-Blowing Policy *(Provision 10.1)*

To encourage proper work ethics and eradicate any internal improprieties, unethical acts, malpractices, fraudulent acts, corruption and / or criminal activities within the Group, the Company has established and put in place a Whistle-Blowing Policy. Procedures in place provide employees with well-defined and accessible channels within the Group for reporting suspected fraud, corruption, dishonest practices, or raise concerns, in confidence, about possible improprieties in financial reporting, business transactions or other matters. Details of this policy, in the native language depending in the country of operation of the Group has been disseminated and made available to all employees through the respective Human Resources Departments of the respective companies within the Group as part of the fraud control awareness program.

CORPORATE **GOVERNANCE**

The ARC is responsible for oversight and monitoring of whistleblowing and ensures that arrangements are in place for independent investigation of matters raised.

A whistle-blower can report to the ARC members directly via dedicated email (audit_committee@taisin.com.sg). The ARC will form an oversight committee and assign the Internal Auditor or such other person that it deems fit to conduct the investigation. The ARC shall provide direction and oversight to the Internal Auditor or such other person as the oversight committee shall deem appropriate.

All reports received shall be thoroughly investigated with great care and sensitivity by the oversight committee with the objective of finding evidence that either substantiates or refutes the claims made by the whistle-blower. The oversight committee may seek, at the expense of the Company, appropriate external advice where necessary. The oversight committee will report periodically to the ARC on the whistle-blowing cases under its review, updating the ARC on matters that have been resolved to their satisfaction and where necessary, may escalate cases for deliberation and further action by the ARC.

The Company ensures that the identity of the whistle-blower is kept confidential and is committed to ensure the whistle-blower is protected against detrimental or unfair treatment. Investigation results are confidential and will not be disclosed or discussed with anyone, other than those with a legitimate need to know. The whistle-blowers will not be updated on the outcome of the investigations other than to receive confirmation that the matters have been dealt with by the ARC members.

Activities of ARC *(Provision 1.4, 10.1, 10.5)*

ARC Meetings

During FY2023, the ARC held four (4) scheduled meetings which all members attended as disclosed in this Corporate Governance Report. The CEO, CFO and other Key Management Personnel (as necessary) attended the meetings as well. The ARC was kept abreast by Management, Internal and External Auditors on developments in legislations and regulations such as changes to accounting standards and new SGX-ST's listing rules and practice guidance which could have an impact on the Group's disclosure requirements.

Review of Financial Statements

The ARC played a key role in reviewing the Company's half year and full year financial statements before submission to the Board for approval to release on SGXNET. In the review of the financial statements, the ARC had discussed with Management the significant accounting principles that were applied and its judgement and estimates of items that might affect the integrity of the financial statements. The ARC had in addition proposed amendments, where necessary, to the draft results announcements.

Meetings with Internal Auditors

The Internal Auditors ("IA") presented their internal audit findings of four (4) companies in the Group. After reviewing and discussing the findings, the ARC accepted Management's responses to the IA's recommendations and the same was then submitted to the Board for its concurrence. The ARC paid attention to any material weaknesses reported, the reasonableness of the financial reporting process, the system of internal controls and the significant comments and recommendations proposed to ensure that the Group maintains a sound system of internal controls.

The ARC was briefed by the IA on its Internal Audit Plan for FY2024. The said plan was accepted by the ARC without any amendments for the Board's concurrence.

CORPORATE **GOVERNANCE**

In addition, without the presence of Management, the ARC met with the IA once separately to obtain its feedback on the assistance it received from Management during the course of conducting the audits.

Meetings with External Auditors

The ARC met with the EA on two (2) occasions during FY2023. The first meeting was held in August 2022 where the EA, without the presence of Management, was asked among other matters, for their feedback on the support it received from Management. Additionally, the ARC was briefed on the findings and procedure performed to address the significant risks and areas of audit focus and their determination of Key Audit Matters ("KAMs") in our Annual Report. The EA's Independent Auditor's Report containing the KAMs for the financial year ended 30 June 2022 was published in the Annual Report 2022.

In the second meeting held in May 2023, the EA presented its Planning Report to the ARC for the financial year ended 30 June 2023. The ARC was briefed, amongst other matters, on the EA's risk assessment process and the methodology used in the selection of the significant risks and areas of audit focus and KAMs for the financial year ended 30 June 2023.

The identified KAMs impacting the FY2023 financial statements are as follows:

KAMs	How the issues were addressed by the ARC
Loss allowance for trade receivables	The ARC reviewed Management's Expected Credit Loss ("ECL") assessment on trade receivables which is determined based on the historical credit loss rates, forward-looking information that are specific to the debtors and economic environment and Management's assessment on the financial position and capability of debtors in making their repayment. For loss allowance recognised for individually identified debtors, the ARC reviewed Management's assessment on credit quality and recoverability of these debtors based on subsequent receipts, payment history, settlement agreements and / or the ongoing business relationship with the debtors involved. After discussion, the ARC concluded that the method of estimating the carrying value of trade receivables as well as the level of allowance was appropriate.
Provision for onerous contracts	The ARC reviewed Management's process over the monitoring and review of the provision for the onerous contracts and the policy in place to determine the level of provision required. The ARC also evaluated the appropriateness of the Group's policy and basis used in the computation of the expected economic benefits and unavoidable costs in the onerous contracts that include copper prices, outstanding quantity of copper for delivery, hedged copper quantity, quantity of finished goods on hand that can be used to fulfil onerous contracts and percentage of copper costs in cables. After discussion, the ARC concluded that the method of estimating the value of provision for onerous contracts remains appropriate.
Allowance for inventories	The ARC reviewed Management's process over the monitoring and review of the allowance for inventories and the policy in place to determine the level of allowance required. The ARC also evaluated the appropriateness of the Group's policy and basis used in the computation of the allowances for inventories taking into consideration recently transacted prices or prices of past sales of similar inventories item. After discussion, the ARC concluded that the method of estimating the carrying value of inventories as well as the level of allowance remains appropriate.

CORPORATE **GOVERNANCE**

Review of Re-appointment of External Auditors

The Board has accepted the ARC's recommendation to re-appoint Deloitte & Touche LLP ("D&T") as External Auditors at our 2023 AGM. The ARC's recommendation was made in compliance with Rule 712 of the SGX-ST Listing Manual and having given due consideration to the adequacy of the resources, experience and competence of D&T. The ARC had also taken into account the Audit Quality Indicators relating to the experience of the engagement partner and key team members' experience; the audit hours spent by senior audit team members in auditing the Group; the training received by the audit team during the year; and the internal and external inspection results of senior team members. Furthermore, pursuant to Rule 1207(6) of the SGX-ST Listing Manual, the ARC is of the opinion that D&T's provision of non-audit services to the Group during FY2023 would not affect their independence. D&T has also confirmed to the ARC that they are registered with the Accounting and Corporate Regulatory Authority.

With respect to Rule 715 (read with Rule 716) of the SGX-ST Listing Manual, D&T are the Auditors for all the Group's Singapore incorporated subsidiaries while its overseas incorporated subsidiaries and associated companies are audited by other audit firms as disclosed in the financial statements for FY2023. The ARC and Board are satisfied that their appointment would not compromise the standard and effectiveness of the audit of the Group.

Cooling-off Period for Partners or Directors of the Company's Auditing Firm *(Provision 10.3)*

No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the ARC.

Internal Auditors *(Provision 10.4)* ***& Rule 1207(10C) of SGX-ST's Listing Manual***

The ARC's responsibilities over the Group's internal controls and risk management are complemented by the work of the IA. The Company recognises and supports the fundamental principle of maintaining IA independence. The Company outsourced its internal audit function to UHY Lee Seng Chan & Co ("UHY-LSC"). The IA has unrestricted access to all the Company's documents, records, properties and personnel, including access to the ARC. The IA's primary line of reporting is to the Chairman of the ARC.

UHY-LSC is a corporate member of the Institute of Internal Auditors Singapore. The engagement with the IA stipulates that its work shall comply with Business Process Auditing Methodology which is guided by the International Standards for the Professional Practice of Internal Auditing (IIA Standards) issued by the Institute of Internal Auditors.

UHY-LSC is a CPA firm established in 1967 and offering diversified business advisory services in Singapore and Malaysia (Johor Bahru and Kuala Lumpur). It is a member of UHY International, a leading network of independent accounting and consulting firms established in 1986, with offices in 330 major business centres across 100 countries. The firm has rich experience in providing internal audit outsourcing services to listed companies and non-profit organizations. The IA engagement team comprises the Engagement Partner, Engagement Manager, Engagement Team Leader and other team members.

The ARC decides on the appointment, termination and remuneration of the IA. The ARC has in its annual review determined that all the members of the UHY-LSC engagement team are independent and that UHY-LSC is adequately resourced with the engagement team being qualified, effective and experienced to act as the Company's IA by examining:

- the scope of the internal audits' work
- the quality of the report
- the independence of the areas reviewed.

CORPORATE GOVERNANCE

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

Effective Participation and Voting by Shareholders at General Meetings *(Provision 11.1)*

All shareholders are informed of shareholders' meetings through notices contained in annual reports and circulars disseminated to them. These notices are also published in the local press and posted on SGXNET. Resolutions tabled at general meetings are voted on by poll, the procedures and rules under which are clearly explained at such general meetings.

The Company supports active shareholder participation at general meetings. The shareholders are encouraged to attend these general meetings to ensure a high level of accountability and to stay informed of the Group's strategies and visions. These meetings also allow shareholders to raise relevant questions or seek clarification on the motions before they are put to the vote.

Separate Resolutions at General Meetings *(Provision 11.2, Practice Guidance 11)*

The Board ensures that resolutions to be tabled at general meetings are separate for each substantially separate issue, unless they are interdependent and linked so as to form one significant proposal. Where resolutions are bundled, the reasons and material implications are explained in the notice of general meeting to enable shareholders to make an informed decision.

Voting by Poll

The Company has adopted electronic poll voting at general meetings to promote greater transparency. The Company appoints a scrutineer at each general meeting and announces the voting decisions and outcomes by the commencement of the pre-opening session on the market day following the general meeting.

Absentia Voting *(Provision 11.4)*

Our Constitution currently does not, however, permit shareholders to vote at general meetings in absentia (such as via mail, email or fax). The Company has not amended its Constitution to provide for absentia voting, as it could be costly to implement, bearing in mind that the Company would need to implement preventive measures to guard against errors, fraud and other irregularities. The Company is of the opinion that despite its deviation from Provision 11.4 of the 2018 Code, shareholders nevertheless have opportunities to communicate their views on matters affecting the Company even when they are not in attendance at general meetings. For example, shareholders may appoint proxies to attend, speak and vote, on their behalf, at the respective general meetings.

Proxies for Nominee Companies

The Constitution of the Company allows each member to appoint up to two (2) proxies to attend general meetings. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.

CORPORATE **GOVERNANCE**

"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore such as banking corporations and capital markets services license holders providing nominee and custodial services and the CPF Board in respect of shares purchased by CPF investors.

Attendance at General Meetings *(Provision 11.3)*

The Chairman of the Board and Directors attend AGMs and other general meetings held by the Company to address issues (if any) raised by shareholders. The External Auditors are also present at the AGMs to address shareholders' queries about the conduct of audit and the preparation and content of the auditor's report. All the Directors and the External Auditors attended the AGM held in October 2022.

Minutes of General Meetings *(Provision 11.5)*

From year 2017, minutes of AGMs / general meetings as recorded by the Company Secretary include substantial and relevant queries from shareholders relating to the agenda of the AGMs / general meetings, and responses from the Board and Management.

From year 2020, minutes of AGMs / general meetings are released via SGXNET and on the Company's corporate website within the stipulated time from the date of the AGMs / general meetings.

Dividend Policy *(Provision 11.6)*

The Company has paid dividends to shareholders every year since its listing on the SGX-ST. While it does not have a dividend policy, the Board in considering the form, frequency and amounts of dividend, will take into account factors such as the Company's earnings, financial condition, capital requirements, business expansion plans and cash flow, with a view to pay a sustainable dividend over time, consistent with long-term growth prospects.

The Company is of the view that despite its deviation from Provision 11.6 of the 2018 Code, shareholders have the opportunity to communicate their views on matters affecting the Company, including the dividend payout in any given year. Notwithstanding the absence of a stated dividend policy, shareholders are able to express their views to the Company on matters relating to dividends, whether this is done at AGMs or otherwise, and due consideration is given to such feedback.

ENGAGEMENT WITH SHAREHOLDERS

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

Communication with Shareholders *(Provision 12.1, 12.2, 12.3)*

In line with the continuous disclosure obligations under the listing rules of the SGX-ST's Listing Manual, the Company releases comprehensive and accurate information in announcements to inform shareholders promptly of all major developments that may have material impact on the Group or may affect the price or value of the Company's shares.

Other channels of communication with shareholders include Results Announcements, Annual Reports, Shareholder Circulars and AGMs / general meetings. The Company's announcements, Annual Reports and all financial results are accessible to the public on SGXNET and available through the Company's corporate website at www.taisinelectric.com. The corporate website also provides comprehensive and updated information on the Company and its businesses.

CORPORATE **GOVERNANCE**

The Company attends to general enquiries from shareholders, investors, analysts and fund managers. The Company's Investor Relations Policy allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. The policy sets out the mechanism through which shareholders may contact the Company with questions or feedback and through which the Company may respond. The Company has a team of investor relations personnel to focus on facilitating communication with shareholders, investors, fund managers, analysts, media and other stakeholders on a regular basis, to attend to their queries or concerns as well as to keep the investing public apprised of the Company's corporate developments and financial performance.

The Company does not practice selective disclosure of material information. Price sensitive information is first publicly released before the Company meets with any group of investors or analysts. Financial results and other price sensitive announcements concerning the Group's performance, position or prospects are presented in a balanced and understandable manner.

Dialogue with Shareholders *(Provision 12.3, Practice Guidance 12)*

The Company did not conduct any analyst briefings, investor roadshows or Investors' Day briefings during the financial year. However, sufficient time is allocated during and after each AGM for shareholders to express their views and give suggestions to Directors and senior management.

In addition, shareholders may pose their queries to the Company through the Company's Investor Relations email at ir@taisin.com.sg. These queries will be attended to by the Investor Relations Team.

Soliciting and Understanding Views of Shareholders *(Provision 12.1)*

Outside of the financial reporting periods, when necessary and appropriate, at the request of analysts and fund managers, the Group CEO and CFO will meet those analysts and fund managers who seek a better understanding of the Group's operations.

ENGAGEMENT WITH STAKEHOLDERS

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

Managing Needs and Interests of Stakeholders *(Provision 13.1, 13.2, 13.3, Practice Guidance 13)*

The Company's stakeholders include employees, contractors and suppliers, government and regulators, community, shareholders and investors. The Company engages these stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders.

The Company makes available information that are relevant through Company's corporate website at www.taisinelectric.com to communicate and engage with stakeholders.

CORPORATE **GOVERNANCE**

CODE OF CONDUCT

The Company has adopted a suite of policies addressing Code of Conduct which defines the Group's business principles and practices with respect to matters which may have ethical implications.

Such policies have been disseminated and made available to all employees through the respective Human Resources Departments of the respective companies within the Group in the native language depending in the country of operation of the companies.

These policies provide a framework for employees to observe the Group's principles such as honesty, integrity, responsibility and accountability at all levels of the organisation and in the conduct of the Group's business with the various stakeholders.

INTERESTED PERSON TRANSACTIONS (RULE 907 OF SGX-ST LISTING MANUAL)

The Company does not have a shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual of the SGX-ST. During FY2023, there were no interested person transactions (excluding transactions less than $100,000) entered into by the Group.

APPOINTMENT OF EXTERNAL AUDITORS (RULE 1207(6) OF SGX-ST LISTING MANUAL)

In appointing the External Auditors of the Group, the Company is in compliance with Rules 712 and 715 (to be read with Rule 716) of the Listing Manual of the SGX-ST.

MATERIAL CONTRACTS (RULE 1207(8) OF SGX-ST LISTING MANUAL)

During FY2023, there were no material contracts of the Company or its subsidiaries involving the interests of the CEO, any Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

DEALINGS IN SECURITIES (RULE 1207(19) OF SGX-ST LISTING MANUAL)

The Company has adopted an Internal Code Governing Dealings in Securities in line with Rule 1207(19) of SGX-ST Listing Manual.

This Internal Code provides guidance and prescribes the internal regulations with regards to dealings in the Company's securities by its officers, stipulating that:

(a) Officers of the Tai Sin Group should not deal in Tai Sin's securities on short term considerations;
(b) Tai Sin and its officers should not deal in the securities of Tai Sin while in possession of unpublished material price sensitive information: and
(c) Tai Sin and its officers should not deal in the securities of Tai Sin during the period commencing one (1) month before the announcement of its annual or half-year financial results, and ending on the date of announcement of the relevant results.

DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of the group and statement of financial position and statement of changes in equity of the company for the financial year ended 30 June 2023.

In the opinion of the directors, the consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company as set out on pages 72 to 165 are drawn up so as to give a true and fair view of the financial position of the group and of the company as at 30 June 2023, and the financial performance, changes in equity and cash flows of the group and changes in equity of the company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts when they fall due.

1 DIRECTORS

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

Executive

Lim Boon Hock Bernard (Chief Executive Officer)

Non-executive

Lim Chye Huat @ Bobby Lim Chye Huat
Soon Boon Siong
Lee Fang Wen
Renny Yeo Ah Kiang
Seow Boon Teng (Appointed on 1 January 2023)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate.

DIRECTORS' **STATEMENT**

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the financial year had no interests in the share capital and debentures of the company and related corporations as recorded in the Register of Directors' Shareholdings kept by the company under Section 164 of the Companies Act 1967 except as follows:

	Shareholdings registered in name of directors		Shareholdings in which directors are deemed to have an interest	
Name of directors and company in which interests are held	**At beginning of year**	**At end of year**	**At beginning of year**	**At end of year**
Tai Sin Electric Limited	Number of shares			
Lim Chye Huat @ Bobby Lim Chye Huat	30,436,234	30,436,234	–	–
Lim Boon Hock Bernard	76,144,941	76,144,941	4,332,489	4,606,989

The directors' interests in the shares of the company at 21 July 2023 were the same as at 30 June 2023.

4 SHARE OPTIONS

(a) Option to take up unissued shares

During the financial year, no option to take up unissued shares of the company or any corporation in the group was granted.

(b) Option exercised

During the financial year, there were no shares of the company or any corporation in the group issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the company or any corporation in the group under option.

DIRECTORS' STATEMENT

5 AUDIT AND RISK COMMITTEE

The Audit and Risk Committee of the company is chaired by Soon Boon Siong, an independent director, and includes Lee Fang Wen, Lim Chye Huat @ Bobby Lim Chye Huat, Renny Yeo Ah Kiang and Seow Boon Teng (appointed on 1 July 2023), all of whom are independent directors except for Lim Chye Huat @ Bobby Lim Chye Huat. The Audit and Risk Committee has met four times since the last Annual General Meeting ("AGM") and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the company:

a) the audit plans and results of the internal auditors' examination and evaluation of the group's systems of internal accounting controls;

b) the group's financial and operating results and accounting policies;

c) the audit plans of the external auditors;

d) the financial statements of the company and the consolidated financial statements of the group before their submission to the directors of the company and external auditors' report on those financial statements;

e) the half-yearly and annual announcements as well as the related press releases on the results and financial position of the company and the group;

f) the co-operation and assistance given by management to the group's external and internal auditors; and

g) the re-appointment of the external auditors of the company.

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

The Audit and Risk Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the company at the forthcoming AGM of the company.

DIRECTORS' **STATEMENT**

6 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

....
Lim Boon Hock Bernard

....
Lim Chye Huat @ Bobby Lim Chye Huat

26 September 2023

INDEPENDENT **AUDITOR'S REPORT**

To the Members of Tai Sin Electric Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Tai Sin Electric Limited (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 30 June 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the group and the statement of changes in equity of the company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 72 to 165.

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

Basis for Opinion

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

INDEPENDENT **AUDITOR'S REPORT**

To the Members of Tai Sin Electric Limited

Key Audit Matters

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

Key audit matters	How the matter was addressed in the audit
Loss allowance for trade receivables	
As at 30 June 2023, the group has trade receivables of $92.43 million (2022 : $109.77 million), representing 39.12% (2022 : 44.85%) of the group's current assets.	We performed procedures to understand management's process over the monitoring of trade receivables and the assessment of loss allowance for trade receivables.
The group determines the expected credit loss ("ECL") of trade receivables by using an allowance matrix that is based on its historical credit loss experience, debtors' ability to pay and any relevant forward-looking information that may be specific to the debtors and economic environment.	We discussed with management and assessed the reasonableness of management's assumptions and inputs used in the ECL model by comparing to historical credit loss rates and reviewed data and information used by management in the ECL model.
The recoverability and ECL assessments require the exercise of significant judgement, assumptions and estimates by management. Inappropriate judgement and estimates made in the impairment assessment would result in a significant impact on the carrying amount of the trade receivables.	We reviewed forward-looking information that are specific to the debtors and economic environment and management's assessment on the financial position and capability of top debtors in making repayments.
The group's disclosure on trade receivables is set out in Note 7 to the financial statements.	We reviewed collections during the year and subsequent to the year-end.
	We also recomputed management's calculation for the loss allowance and tested the adequacy of prior year allowance by comparing against actual loss incurred in the current year.
	For loss allowance recognised for individually identified debtors, we evaluated and reviewed management's assessment on credit quality and recoverability by considering amongst other factors such as subsequent receipts, payment history, settlement agreements and/or the ongoing business relationship with the debtors involved.
	We assessed the adequacy of disclosures made by management in respect of loss allowance for trade receivables.

INDEPENDENT AUDITOR'S REPORT

To the Members of Tai Sin Electric Limited

Key audit matters	How the matter was addressed in the audit
Provision for onerous contracts	
The group enters into sales contracts with customers for delivery of cables at a fixed sales price. The group's gross margins under such contracts are exposed to the fluctuations in copper prices as the costs of manufacturing cables for delivery fluctuates while sales prices remain fixed. At each reporting date, management makes an assessment whether contracts are deemed onerous using outstanding quantity for copper delivery and prevailing copper prices. As at 30 June 2023, the prevailing copper price is higher than the fixed sales price of certain contracts with deliveries expected between one to three years in the future. The group recorded reversal of provision for onerous contracts amounting to $4.67 million (2022 : $10.13 million) to cost of sales. This assessment involves the exercise of significant judgement in determining the estimates of unavoidable costs to fulfill contract, which include copper prices, outstanding quantity of copper for future delivery, timing of future delivery, hedged copper quantity, quantity of finished goods on hand that can be used to fulfil onerous contracts, percentage of copper costs in cables, and whether the provision for onerous contracts is adequate. The group's disclosure on provision for onerous contracts is set out in Note 25 to the financial statements.	We performed procedures to understand management's process over the monitoring and review of the provision for onerous contracts and the policy in place to determine the level of provision required. We discussed with management and evaluated the appropriateness of the group's policy and basis used in the assessment of provision for onerous contracts, and recalculated the provision recorded, including testing the completeness and accuracy of the contracts data used on a sample basis. We also assessed the reasonableness of the assumptions used in the computation of the expected economic benefits and the unavoidable costs in the onerous contracts. Assumptions and unavoidable costs reviewed include: copper prices, outstanding quantity of copper for delivery, hedged copper quantity, quantity of finished goods on hand that can be used to fulfil onerous contracts and percentage of copper costs in cables. We assessed the adequacy of disclosures made by management in respect of provision for onerous contracts.

INDEPENDENT **AUDITOR'S REPORT**

To the Members of Tai Sin Electric Limited

Key audit matters	**How the matter was addressed in the audit**
<u>Allowance for inventories</u>	
As at 30 June 2023, the group holds significant inventories carried at the lower of cost and net realisable value of \$101.17 million (2022 : \$98.81 million), representing 42.82% (2022 : 40.37%) of the group's current assets.	We performed procedures to understand management's process over monitoring and review of the allowance for inventories and policy in place to determine the level of allowance required.
Such inventories comprise cable and wire products, electrical and electronic components and products, and lights and lighting components. The determination of the net realisable value of inventories is dependent upon management's assessment of allowance for inventories.	We discussed with management and evaluated the appropriateness of the group's policy and basis used in the assessment of allowance for inventories, and recalculated the allowance recorded, including testing the accuracy of the aging data used on a sample basis.
This assessment involves the exercise of significant judgement in determining the allowance for inventories which include the age and type of inventory items, likelihood of obsolescence, past history of sales, the condition of the inventory items, the demand for the products and whether the allowance for inventories is adequate such that they are carried in the group's accounting records at the lower of cost or net realisable value.	We also assessed the reasonableness of the level of allowance recorded by comparing to recently transacted prices or prices of past sales of similar cable and wire products, electrical and electronic components and products, and light and lighting components. We assessed the adequacy of disclosures made by management in respect of allowance for inventories.
The group's disclosure on inventories is set out in Note 11 to the financial statements.	

Information other than the Financial Statements and Auditor's Report Thereon

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

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

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Tai Sin Electric Limited

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

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

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

INDEPENDENT **AUDITOR'S REPORT**

To the Members of Tai Sin Electric Limited

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

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

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Kong Lai San.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

26 September 2023

STATEMENTS OF **FINANCIAL POSITION**

30 June 2023

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
ASSETS					
Current assets					
Cash and bank balances	6	32,003	29,196	9,212	8,169
Trade receivables	7	92,427	109,774	45,855	51,072
Other receivables	8	5,645	3,882	2,077	1,650
Contract assets	9	2,617	2,919	–	–
Derivative financial instruments	10	2,248	163	2,253	207
Inventories	11	101,168	98,809	52,698	52,955
Assets classified as held for sale	12	169	–	–	–
Total current assets		236,277	244,743	112,095	114,053
Non-current assets					
Other receivables	8	361	482	100	100
Derivative financial instruments	10	3	1,441	3	1,441
Subsidiaries	13	–	–	49,315	48,198
Associates	14	12,040	11,403	–	–
Other investments		6	7	–	–
Property, plant and equipment	15	38,061	38,594	10,595	10,528
Right-of-use assets	16	11,287	14,278	3,770	4,013
Investment properties	17	2,615	2,908	–	–
Goodwill	18	129	–	–	–
Intangible assets	19	–	–	–	–
Deferred tax assets	20	1,292	1,853	1,200	1,732
Total non-current assets		65,794	70,966	64,983	66,012
Total assets		302,071	315,709	177,078	180,065
LIABILITIES AND EQUITY					
Current liabilities					
Bank borrowings	21	33,526	31,370	6,016	4,261
Trade payables	22	23,606	38,695	11,554	16,576
Other payables	23	10,883	11,519	3,164	3,363
Contract liabilities	24	3,179	2,483	29	345
Provision for onerous contracts	25	7,886	12,557	7,886	12,557
Lease liabilities	26	1,203	825	338	317
Income tax payable		3,040	2,750	1,427	858
Total current liabilities		83,323	100,199	30,414	38,277
Non-current liabilities					
Other payables	23	195	191	–	–
Lease liabilities	26	10,991	10,845	3,686	3,901
Deferred tax liabilities	20	807	907	–	–
Total non-current liabilities		11,993	11,943	3,686	3,901

See accompanying notes to financial statements.

STATEMENTS OF **FINANCIAL POSITION**

30 June 2023

	Note	Group		Company	
		2023	2022	2023	2022
		$'000	$'000	$'000	$'000
Capital, reserves and non-controlling interests					
Share capital	27	63,712	63,712	63,712	63,712
Treasury shares	28	(950)	(950)	(950)	(950)
Reserves	29	142,044	138,927	80,216	75,125
Equity attributable to the owners of the company		204,806	201,689	142,978	137,887
Non-controlling interests		1,949	1,878	–	–
Total equity		206,755	203,567	142,978	137,887
Total liabilities and equity		302,071	315,709	177,078	180,065

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF **PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

Year ended 30 June 2023

	Note	Group 2023 $'000	Group 2022 $'000
Revenue	30	421,726	379,052
Cost of sales		(355,072)	(298,998)
Gross profit		66,654	80,054
Other operating income	31	5,000	4,344
Selling and distribution expenses		(24,088)	(21,794)
Administrative expenses		(21,731)	(20,443)
Other operating expenses		(2,788)	(14,914)
Finance costs	32	(2,154)	(1,047)
Share of profit of associates	14	499	1,081
Profit before income tax		21,392	27,281
Income tax expense	33	(4,582)	(5,089)
Profit for the year	34	16,810	22,192
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(3,004)	(134)
Changes in share of other comprehensive income (loss) of associates	14	23	(13)
Other comprehensive loss for the year, net of tax		(2,981)	(147)
Total comprehensive income for the year		13,829	22,045
Profit for the year attributable to:			
Owners of the company		16,674	22,006
Non-controlling interests		136	186
		16,810	22,192
Total comprehensive income attributable to:			
Owners of the company		13,728	21,844
Non-controlling interests		101	201
		13,829	22,045
Earnings per share			
Basic (cents)	35	3.62	4.78
Diluted (cents)	35	3.62	4.78

See accompanying notes to financial statements.

STATEMENTS OF **CHANGES IN EQUITY**

Year ended 30 June 2023

	Note	Share capital $'000	Treasury shares $'000	Reserves: Foreign currency translation reserve $'000	Reserves: Other reserve $'000	Accumulated profits $'000	Equity attributable to shareholders of the company $'000	Non-controlling interests $'000	Total equity $'000
Group									
Balance at 1 July 2021		63,712	(950)	(729)	(1,079)	129,285	190,239	1,781	192,020
Total comprehensive (loss) income for the year:									
Profit for the year		–	–	–	–	22,006	22,006	186	22,192
Other comprehensive (loss) income for the year		–	–	(162)	–	–	(162)	15	(147)
Total		–	–	(162)	–	22,006	21,844	201	22,045
Transactions with owners, recognised directly in equity:									
Share of post- acquisition reserve from an associate		–	–	–	(38)	–	(38)	–	(38)
Dividend paid to non-controlling interests		–	–	–	–	–	–	(104)	(104)
Final dividend for the previous financial year paid	36	–	–	–	–	(6,904)	(6,904)	–	(6,904)
Interim dividend for the financial year paid	36	–	–	–	–	(3,452)	(3,452)	–	(3,452)
Total		–	–	–	(38)	(10,356)	(10,394)	(104)	(10,498)
Balance at 30 June 2022		63,712	(950)	(891)	(1,117)	140,935	201,689	1,878	203,567

See accompanying notes to financial statements.

STATEMENTS OF **CHANGES IN EQUITY**

Year ended 30 June 2023

	Note	Share capital	Treasury shares	Reserves: Foreign currency translation reserve	Reserves: Other reserve	Reserves: Accumulated profits	Equity attributable to shareholders of the company	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group									
Balance at 1 July 2022		63,712	(950)	(891)	(1,117)	140,935	201,689	1,878	203,567
Total comprehensive (loss) income for the year:									
Profit for the year		–	–	–	–	16,674	16,674	136	16,810
Other comprehensive loss for the year		–	–	(2,946)	–	–	(2,946)	(35)	(2,981)
Total		–	–	(2,946)	–	16,674	13,728	101	13,829
Transactions with owners, recognised directly in equity:									
Share of post- acquisition reserve from an associate		–	–	–	205	–	205	–	205
Dividend paid to non-controlling interests		–	–	–	–	–	–	(30)	(30)
Final dividend for the previous financial year paid	36	–	–	–	–	(7,364)	(7,364)	–	(7,364)
Interim dividend for the financial year paid	36	–	–	–	–	(3,452)	(3,452)	–	(3,452)
Total		–	–	–	205	(10,816)	(10,611)	(30)	(10,641)
Balance at 30 June 2023		63,712	(950)	(3,837)	(912)	146,793	204,806	1,949	206,755

See accompanying notes to financial statements.

STATEMENTS OF **CHANGES IN EQUITY**

Year ended 30 June 2023

	Note	Share capital $'000	Reserves: Treasury shares $'000	Reserves: Accumulated profits $'000	Total equity $'000
Company					
Balance at 1 July 2021		63,712	(950)	71,545	134,307
Profit for the year, representing total comprehensive income for the year		–	–	13,936	13,936
Transactions with owners, recognised directly in equity:					
Final dividend for the previous financial year paid	36	–	–	(6,904)	(6,904)
Interim dividend for the financial year paid	36	–	–	(3,452)	(3,452)
Total		–	–	(10,356)	(10,356)
Balance at 30 June 2022		63,712	(950)	75,125	137,887
Profit for the year, representing total comprehensive income for the year		–	–	15,907	15,907
Transactions with owners, recognised directly in equity:					
Final dividend for the previous financial year paid	36	–	–	(7,364)	(7,364)
Interim dividend for the financial year paid	36	–	–	(3,452)	(3,452)
Total		–	–	(10,816)	(10,816)
Balance at 30 June 2023		63,712	(950)	80,216	142,978

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 June 2023

	Group	
	2023	2022
	$'000	$'000
Operating activities		
Profit before income tax	21,392	27,281
Adjustments for:		
Depreciation of property, plant and equipment	5,087	5,037
Depreciation of investment properties	55	53
Depreciation of right-of-use assets	1,666	1,448
Interest income	(262)	(170)
Interest expense	2,154	1,047
Gain on disposal of property, plant and equipment	(52)	(109)
Gain on disposal of right-of-use assets	–*	(4)
Loss on disposal of investment property	4	–
Property, plant and equipment written off	63	42
Bad debts (recovered) written off	(8)	1
(Reversal of) Loss allowance for trade and other receivables	(846)	2,426
Reversal of provision for onerous contracts	(4,671)	(10,130)
Inventories written off	223	422
Allowance for (Reversal of) inventories obsolescence	57	(27)
Loss on revaluation of other investments	1	1
Assets held for sale written off	–	164
Impairment loss on right-of-use assets	2,706	–
Fair value adjustments on derivative financial instruments taken to profit or loss	(644)	12,277
Share of profit of associates	(499)	(1,081)
Exchange differences	(202)	–
Operating cash flows before movement in working capital	26,224	38,678
Trade receivables[(a)]	16,401	(24,746)
Other receivables	(1,667)	640
Contract assets	260	2,812
Inventories	(4,567)	(29,573)
Trade payables	(14,805)	10,197
Other payables	(612)	1,176
Contract liabilities	753	899
Cash generated from operations	21,987	83
Income tax paid	(3,902)	(7,523)
Net cash from (used in) operating activities	18,085	(7,440)

* Amount less than $1,000.

Note:

(a) Purchase of investment property
During the financial year ended 30 June 2023, the group acquired investment property with an aggregate cost of $312,000 (2022 : $Nil) by means of settlement with trade receivables.

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

Year ended 30 June 2023

	Group	
	2023	**2022**
	$'000	**$'000**
Investing activities		
Acquisition of a subsidiary (net of cash acquired) (Note 40)	(795)	–
Purchase of property, plant and equipment	(5,017)	(4,521)
Proceeds from disposal of property, plant and equipment	119	377
Proceeds from disposal of investment property	127	–
Dividend received from an associate	90	108
Interest received	262	170
Net cash used in investing activities	(5,214)	(3,866)
Financing activities		
Proceeds from bank borrowings	159,727	82,237
Repayment of bank borrowings	(155,830)	(68,685)
Repayment of principal portion of lease liabilities	(935)	(858)
Interest paid	(2,154)	(1,047)
Dividends paid	(10,816)	(10,356)
Dividends paid to non-controlling interests	(30)	(104)
Net cash (used in) from financing activities	(10,038)	1,187
Net increase (decrease) in cash and cash equivalents	2,833	(10,119)
Cash and cash equivalents at beginning of year	29,196	39,329
Effects of exchange rate changes on the balance of cash held in foreign currencies	(26)	(14)
Cash and cash equivalents at end of year	32,003	29,196

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

30 June 2023

1 GENERAL

The company (Registration No. 198000057W) is incorporated in Singapore with its principal place of business and registered office at 24 Gul Crescent, Singapore 629531. The company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

The principal activities of the company are that of cable and wire manufacturer and dealer in such products and investment holding.

The principal activities of the subsidiaries and associates are stated in Notes 13 and 14 respectively to the financial statements.

The consolidated financial statements of the group and statement of financial position and statement of changes in equity of the company for the year ended 30 June 2023 were authorised for issue by the Board of Directors on 26 September 2023.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS - On 1 July 2022, the group and the company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the group's and the company's accounting policies and has no material effect on the disclosures or on the amounts reported for the current or prior years.

NOTES TO **FINANCIAL STATEMENTS**

30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company and its subsidiaries. Control is achieved when the company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

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

When the company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including:

- The size of the company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the company gains control until the date when the company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

NOTES TO FINANCIAL STATEMENTS

30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

When the group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable SFRS(I) Standards). The fair value of any investment 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* when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

In the company's financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS - Acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the group to the former owners of the acquiree and equity interests issued by the group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefits 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 share-based payment arrangements of the acquiree or share-based payment arrangements of the group entered to replace share-based payment arrangements of the acquiree are measured in accordance with SFRS(I) 2 *Share-based Payment* at the acquisition date; and

- 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* are measured in accordance with that Standard.

When the consideration transferred by the group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

NOTES TO **FINANCIAL STATEMENTS**

30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Where a business combination is achieved in stages, the group's previously held interest 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.

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.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the statement of financial position when the group or the company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

<u>Classification of financial assets</u>

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO FINANCIAL STATEMENTS

30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (cont'd)

Classification of financial assets (cont'd)

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

Despite the aforegoing, the group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

NOTES TO
FINANCIAL STATEMENTS
30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (cont'd)

Amortised cost and effective interest method (cont'd)

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "Other operating income" line item.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The group has not designated any debt instruments as at FVTPL.

- financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "Other operating income" line item (Note 31). Fair value is determined in the manner described in Note 4(b)(vi).

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "Other operating income" line item; and

- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "Other operating income" line item.

NOTES TO FINANCIAL STATEMENTS

30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (cont'd)

Impairment of financial assets

The group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, contract assets, as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using an allowance matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the group's core operations, namely cables and wires manufacturing and trading, electrical materials distribution, switchboards manufacturing and trading, and testing and inspection services.

NOTES TO
FINANCIAL STATEMENTS
30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (cont'd)

Significant increase in credit risk (cont'd)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor; and

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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 contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

For loan commitments and financial guarantee contracts, the date that the group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the group considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the group considers the changes in the risk that the specified debtor will default on the contract.

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

NOTES TO FINANCIAL STATEMENTS

30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (cont'd)

Definition of default

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

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the group, in full (without taking into account any collaterals held by the group).

Irrespective of the above analysis, the group considers that default has occurred when a financial asset is more than 90 days past due unless the group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower; or

b) a breach of contract, such as a default or past due event; or

c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

NOTES TO
FINANCIAL STATEMENTS

30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (cont'd)

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the group expects to receive, discounted at the original effective interest rate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- nature of financial instruments (i.e. the group's trade and other receivables, finance lease receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- past-due status;
- nature, size and industry of debtors;
- nature of collaterals for finance lease receivables; and
- external credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date.

The group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

NOTES TO FINANCIAL STATEMENTS

30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (cont'd)

Derecognition of financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Derivative financial instruments

The group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risk and copper price risk, including foreign exchange forward contracts and copper contracts. The group does not use derivative financial instruments for speculative purposes. Further details of derivative financial instruments are disclosed in Note 10 to the financial statements.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The group does not apply hedge accounting on derivative financial instruments.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

NOTES TO **FINANCIAL STATEMENTS**

30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial liabilities and equity instruments (cont'd)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "Other operating income" (Note 31) or "Other operating expenses" line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS
30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leases

The group as lessee

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate specific to the lessee.

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

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

The lease liability is presented as a separate line in the statement of financial position.

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

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

NOTES TO
FINANCIAL STATEMENTS
30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leases (cont'd)

The group as lessee (cont'd)

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

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

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

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

NOTES TO FINANCIAL STATEMENTS

30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leases (cont'd)

The group as lessor

The group enters into lease agreements as a lessor with respect to its investment properties.

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the group applies SFRS(I) 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

NON-CURRENT ASSETS HELD FOR SALE - Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Inventories comprise cable and wire products, electrical and electronic components and products, lights and lighting components by the various subsidiaries and raw materials, work-in-progress and finished goods for the company and other manufacturing entities. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories for trading is calculated on a weighted-average basis. The cost of raw materials, work-in-progress and finished goods for manufacturing entities are calculated using the weighted-average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

NOTES TO **FINANCIAL STATEMENTS**
30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS - Property, plant and equipment and right-of-use assets are carried at cost less accumulated depreciation and any impairment losses.

Depreciation is charged so as to write off the cost of assets, other than freehold land, over their estimated useful lives, using the straight-line method, on the following bases:

Freehold property	-	2% to 2.50%
Leasehold land and buildings	-	1.75% to 20%
Office equipment and furniture	-	7.50% to 33%
Plant and machinery	-	10% to 33%
Motor vehicles	-	10% to 20%

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is not provided on freehold land.

Fully depreciated assets still in use are retained in the financial statements.

Right-of-use assets are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

INVESTMENT PROPERTIES - Investment properties, which are properties held to earn rentals, is carried at cost less accumulated depreciation and any impairment losses. Depreciation is charged so as to write off the cost of the investment property over its estimated useful life at an annual rate of 2.50% using the straight-line method.

The estimated useful life, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS

30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

INTANGIBLE ASSETS - Intangible assets acquired in a business combination are identified and recognised separately from goodwill if the assets and their fair values can be measured reliably. The cost of such intangible assets is their fair value as at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated impairment losses, on the same basis as intangible assets acquired separately.

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

Intangible assets with finite useful lives are amortised on a straight-line basis over the estimated useful lives. The amortisation period and method are reviewed at least at each financial year end.

Intangible assets relating to customer relationships and proprietary application software acquired in a business combination have finite useful lives and are measured at cost less accumulated amortisation and impairment losses. The customer relationships and proprietary application software are amortised on a straight-line basis over their estimated useful lives and recorded as part of "Selling and distribution expenses" and "Cost of sales" respectively in the consolidated statement of profit or loss and other comprehensive income. Their estimated useful lives are as follows:

Customer relationships	-	9 years
Proprietary application software	-	5 years

Software costs that are directly associated with identifiable software controlled by the group that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

Internally developed software were initially capitalised at cost which included the purchase price (net of any discounts and rebates, and government grant) and other directly attributable costs of preparing the software for its intended use. Direct expenditure which enhanced or extended the performance of software beyond its specifications and which can be reliably measured was added to the original cost of the software. Costs associated with maintaining computer software were recognised as an expense as incurred.

Software is 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 their estimated useful lives of 5 years.

The period and method of amortisation of the software are reviewed at least once at each financial reporting year end. The effects of any revision of the amortisation period or method are included in profit or loss for the period in which the changes arise. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

NOTES TO **FINANCIAL STATEMENTS**

30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, the group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an 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. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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.

ASSOCIATE - An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of an associate are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the group's share of the profit or loss and other comprehensive income of the associate. When the group's share of losses of an associate exceeds the group's interest in that associate (which includes any long-term interests that, in substance, form part of the group's net investment in the associate), the group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate.

NOTES TO
FINANCIAL STATEMENTS

30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of SFRS(I) 1-36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

The group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the group retains an interest in the former associate and the retained interest is a financial asset, the group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When the group reduces its ownership interest in an associate but the group continues to use the equity method, the group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the group, profits and losses resulting from the transactions with the associate are recognised in the group's consolidated financial statements only to the extent of interests in the associate that are not related to the group.

NOTES TO **FINANCIAL STATEMENTS**

30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

PROVISIONS - Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

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

The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract which include both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. Before a separate provision for an onerous contract is established, the group recognises any impairment loss that has occurred on assets used in fulfilling the contract.

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the group will comply with the conditions attaching to them and the grants will be received. Government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit or loss in the period in which they become receivable.

REVENUE RECOGNITION - Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

NOTES TO FINANCIAL STATEMENTS

30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Sale of goods

The group sells various cables and wires, electrical materials, and switchboards. Revenue is recognised at a point in time when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customers have full discretion over the manner of which the goods are used. A receivable is recognised by the group when the goods are delivered to the customers as per terms of sale, which represent the point in time at which the group's right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Rendering of services

The group provides laboratory test on building and civil engineering materials, non-destructive tests on steel and concrete, geotechnical related soil boring and testing, and provision of independent inspection services. Such services are recognised as a performance obligation satisfied over time. Revenue is recognised for these testing and inspection services based on the stage of completion of the contract. Management has assessed that the stage of completion determined based on surveyors' certificates at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations under SFRS(I) 15. Payment for the testing and inspection services is not due from the customer until the services are completed and therefore a contract asset is recognised over the period in which the services are performed representing the entity's right to consideration for the services performed to date.

Interest income

Interest income is accrued on a time-proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income

Dividend income is recognised when the shareholders' right to receive payment have been established.

BORROWING COSTS - Borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

NOTES TO **FINANCIAL STATEMENTS**

30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the company and its subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

NOTES TO FINANCIAL STATEMENTS

30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are presented in Singapore dollars, which is the functional currency of the company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into to hedge certain foreign currency risks (see above under hedge accounting); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

NOTES TO **FINANCIAL STATEMENTS**

30 June 2023

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying the entity's accounting policies

In the process of applying the group's accounting policies, which are described in Note 2, management is not aware of any judgements that have significant effect on the amounts recognised in the financial statements, apart from those involving estimations as discussed below.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, 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.

i) Loss allowance for trade receivables

The group uses an allowance matrix to calculate ECL for trade receivables. The allowance rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The group determines the ECL of trade receivables by using an allowance matrix that is based on its historical credit loss experience, debtors' ability to pay and any relevant forward-looking information that may be specific to the debtors and economic environment.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant management estimate. 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 loss allowance and carrying amounts of the group's trade receivables at the end of the reporting period are disclosed in Note 7 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

30 June 2023

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(b) Key sources of estimation uncertainty (cont'd)

ii) Allowance for inventories

The policy for allowance for inventories for the group is based on management's judgement and evaluation of the saleability and the aging analysis of the individual inventory item. A considerable amount of judgement is required in assessing the ultimate realisation of these inventories, including the current market price and movement trend of each inventory.

The carrying amount of inventories at the end of the reporting period is disclosed in Note 11 to the financial statements.

iii) Impairment of investments in subsidiaries and associates

Investments in subsidiaries and associates are stated at cost less impairment loss. The company follows the guidance of SFRS(I) 1-36 to determine when its investments in subsidiaries and associates are impaired. This determination requires management to evaluate, among other factors, the market and economic environment in which the subsidiaries and associates operate, economic performance of these entities, the duration and extent to which the cost of investments in these entities exceed their net tangible assets values and fair value of investments less cost to sell.

The carrying amount of investments in and advances to subsidiaries at the end of the reporting period was $49,315,000 (2022 : $48,198,000).

The carrying amount of investments in associates at the end of the reporting period is disclosed in Note 14 to the financial statements.

iv) Impairment of right-of-use assets ("ROUA")

Right-of-use assets are stated at cost less accumulated depreciation and impairment loss. The group follows the guidance of SFRS(I) 1-36 to determine whether there is any indication that those assets have suffered an impairment loss at each reporting period. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

The recoverable amount of the ROUA is determined based on the value-in-use calculation which uses cash flow projections based on financial budget approved by the directors, projected over the remaining useful life of the underlying asset. Management uses the expected cash flow approach taking into consideration possible variations in the amount or timing of the future cash flows and assigns probabilities to estimates of future cash flows. An appropriate discount rate is estimated in order to calculate the present value of the future cash flows. The impairment on right-of-use assets recognised for the period was $2,706,000 (2022 : $Nil). See Note 16 for further details.

NOTES TO **FINANCIAL STATEMENTS**

30 June 2023

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(b) Key sources of estimation uncertainty (cont'd)

v) Provision for onerous contracts

The policy for provision of onerous contracts for the group is based on management's judgement and evaluation of the estimated losses arising from the differences between (1) the committed selling prices and estimated cost of sales for the unfulfilled sales quantities committed in respect of contracts for which delivery has substantially commenced by the end of the financial year and (2) the committed prices and estimated cost for the services committed in respect of uncompleted contracts.

A considerable amount of judgement is required in assessing the unavoidable costs of meeting the obligations under the contract. This determination requires management to evaluate and estimate, among other factors copper prices, the outstanding quantity of copper for future delivery and the timing of future delivery, the hedged copper quantity, the quantity of finished goods on hand that can be used to fulfil onerous contracts and the percentage of copper costs in cables.

The provision for onerous contracts at the end of the reporting period is disclosed in Note 25 to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period.

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Financial assets				
Financial assets at amortised costs	126,131	140,558	56,360	60,258
Derivative financial instruments	2,251	1,604	2,256	1,648
Financial liabilities				
Financial liabilities at amortised costs	64,351	81,361	20,285	24,143
Lease liabilities	12,194	11,670	4,024	4,218

NOTES TO FINANCIAL STATEMENTS

30 June 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives

The group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the group. Management reviews the overall financial risk management on specific areas, such as market risk (including foreign exchange risk, interest rate risk, equity price risk), credit risk, liquidity risk, use of derivative financial instruments and investing excess cash.

The group uses a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including short-term forward foreign contracts to manage the foreign currency exchange rate risk and copper contracts to manage the risk of future fluctuations in copper prices.

There has been no change to the group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

i) Foreign exchange risk management

The group operates regionally, giving rise to significant exposure to market risk from changes in foreign exchange rates. Exposures to foreign exchange risks are managed as far as possible by natural hedge of matching assets and liabilities.

The group's exposure to foreign exchange risk arises mainly from transactions denominated in United States dollar and other foreign currencies relative to the Singapore dollar.

At the end of the reporting period, the carrying amounts of significant monetary assets and monetary liabilities that are not denominated in the functional currencies of the respective group entities are as follows:

	Group			
	Liabilities		Assets	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
United States dollar	12,665	18,671	13,466	10,475
Euro	506	819	2	37
Malaysian ringgit	24	131	159	194
Singapore dollar	1,413	3,007	988	34
Indonesian rupiah	–	–	1,646	–

NOTES TO
FINANCIAL STATEMENTS
30 June 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

i) Foreign exchange risk management (cont'd)

	Company			
	Liabilities		Assets	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
United States dollar	9,816	14,036	1,056	740
Euro	322	796	1	1
Malaysian ringgit	24	128	–	–

Management enters into short-term forward foreign currency exchange contracts to manage foreign currency exchange rate risk. The group's commitments on forward foreign exchange contracts at 30 June 2023 and 2022 are disclosed in Note 10.

The company has a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. The group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in functional currency against the relevant foreign currencies after factoring in the impact of forward foreign exchange contracts. The sensitivity analysis includes external loans as well as loans to foreign operations within the group where the denomination of the loan is in a currency other than the currency of the lender or the borrower.

If the functional currency of the respective group entities appreciates by 10% against the relevant foreign currencies, profit before income tax will increase (decrease) by:

	United States dollar impact		Euro impact		Malaysian ringgit impact		Singapore dollar impact		Indonesian rupiah impact	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Group										
Profit or loss	(5,701)	(3,167)	50	78	(14)	(6)	43	297	(165)	–
Company										
Profit or loss	(4,501)	(2,657)	32	80	2	13	NA	NA	–	–

The impact to profit or loss is mainly attributable to the exposure outstanding on receivables and payables at the end of the reporting period in the group.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

NOTES TO FINANCIAL STATEMENTS
30 June 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

ii) Interest rate risk management

The group's exposure to the risk of changes in interest rates relates mainly to bank borrowings. The group actively reviews its debt portfolio to achieve the most favourable interest rates available.

The interest rates and terms of repayment for bank borrowings and lease liabilities of the group are disclosed in Notes 21 and 26 to the financial statements respectively.

A significant portion of the group's borrowings are on a fixed rate interest basis. Accordingly, future fluctuation in interest rate is not expected to have any significant impact on the profit or loss of the group.

The interest rates and repricing period for fixed deposits are disclosed in Note 6 to the financial statements.

Management has considered the total outstanding borrowings as well as their current interest rate environment and does not expect the effect of changes in interest rate on these borrowings to be significant.

Summary quantitative data of the group's interest-bearing financial instruments can be found in Section (v) of this note.

iii) Overview of the group's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. As at 30 June 2023, the group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the group arises from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and

- the maximum amount the group would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised as disclosed in Note 4(b)(v). The related loss allowance is disclosed in the respective notes to the financial statements.

In order to minimise credit risk, the group develops and maintains the credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the group uses other publicly available financial information and the group's own trading records to rate its major customers and other debtors. The group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

NOTES TO **FINANCIAL STATEMENTS**

30 June 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

iii) Overview of the group's exposure to credit risk (cont'd)

The group's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognising expected credit losses ("ECL")**
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12 month ECL.
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired.
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired.
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the group has no realistic prospect of recovery.	Amount is written off.

NOTES TO FINANCIAL STATEMENTS

30 June 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

iii) Overview of the group's exposure to credit risk (cont'd)

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Group						
2023						
Trade receivables	7	(i)	Lifetime ECL (simplified approach)	96,872	(4,445)	92,427
Other receivables	8	Performing	12-month ECL	1,960	–	1,960
Other receivables	8	In-default	Lifetime ECL	102	(102)	–
				98,934	(4,547)	94,387
2022						
Trade receivables	7	(i)	Lifetime ECL (simplified approach)	115,798	(6,024)	109,774
Other receivables	8	Performing	12-month ECL	1,584	–	1,584
				117,382	(6,024)	111,358
Company						
2023						
Trade receivables	7	(i)	Lifetime ECL (simplified approach)	47,912	(2,057)	45,855
Other receivables	8	Performing	12-month ECL	922	–	922
				48,834	(2,057)	46,777
2022						
Trade receivables	7	(i)	Lifetime ECL (simplified approach)	53,566	(2,494)	51,072
Other receivables	8	Performing	12-month ECL	1,017	–	1,017
				54,583	(2,494)	52,089

NOTES TO
FINANCIAL STATEMENTS

30 June 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

iii) Overview of the group's exposure to credit risk (cont'd)

(i) For trade receivables, the group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The group determines the expected credit losses on these items by using an allowance matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the allowance matrix. Further details on the loss allowance for trade and other receivables are included in Notes 7 and 8 to the financial statements respectively.

iv) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables of the group consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The group and company are exposed to a concentration of credit risk as trade receivables amounting to about 11% (2022 : 13%) and 14% (2022 : 14%) respectively are due mainly from three key customers (2022 : two key customer) with good payment history.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Further details of credit risks on trade receivables are disclosed in Note 7 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

30 June 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

iv) Credit risk management (cont'd)

Trade receivables consist of a large number of customers spread across diverse geographical areas. The credit risk for gross trade receivables based on geographical location is as follows:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
By geographical areas				
Singapore	69,737	83,006	46,017	52,273
Malaysia	18,467	22,054	1,153	441
Brunei	1,155	1,494	46	54
Vietnam	3,079	4,989	–	2
Indonesia	3,692	3,372	441	262
Thailand	63	71	–	28
Myanmar	258	462	255	457
Cambodia	242	141	–	–
Others	179	209	–	49
Total gross trade receivables	96,872	115,798	47,912	53,566

v) Liquidity risk management

The group maintains sufficient cash and cash equivalents, availability of adequate committed funding lines from financial institutions and internally generated cash flows to finance their activities. The group finances their liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

As at 30 June 2023, the group and company had $32.0 million (2022 : $29.2 million) and $9.2 million (2022 : $8.2 million) in cash and cash equivalents respectively, and was in a net current asset position of $153.0 million (2022 : $144.5 million) and $81.7 million (2022 : $75.8 million) respectively. The group and company maintain access to undrawn credit facilities and have financial resources to meet their obligations when they fall due.

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group and company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liabilities in the statements of financial position.

NOTES TO **FINANCIAL STATEMENTS**

30 June 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

v) Liquidity risk management (cont'd)

Non-derivative financial liabilities (cont'd)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustments	Total
	% per annum	$'000	$'000	$'000	$'000	$'000
Group						
2023						
Non-interest bearing	–	30,630	195	–	–	30,825
Lease liabilities (fixed rate)	4.62	1,593	5,164	10,375	(4,938)	12,194
Variable interest rate instruments	7.39	730	–	–	(14)	716
Fixed interest rate instruments	3.76	33,114	–	–	(304)	32,810
		66,067	5,359	10,375	(5,256)	76,545
2022						
Non-interest bearing	–	50,324	191	–	–	50,515
Lease liabilities (fixed rate)	4.53	1,184	4,393	11,418	(5,325)	11,670
Fixed interest rate instruments	2.29	31,157	–	–	(311)	30,846
		82,665	4,584	11,418	(5,636)	93,031
Company						
2023						
Non-interest bearing	–	14,269	–	–	–	14,269
Lease liabilities (fixed rate)	3.62	478	1,913	2,448	(815)	4,024
Fixed interest rate instruments	4.48	6,060	–	–	(44)	6,016
		20,807	1,913	2,448	(859)	24,309
2022						
Non-interest bearing	–	19,882	–	–	–	19,882
Lease liabilities (fixed rate)	3.62	464	1,858	2,832	(936)	4,218
Fixed interest rate instruments	2.17	4,269	–	–	(8)	4,261
		24,615	1,858	2,832	(944)	28,361

NOTES TO FINANCIAL STATEMENTS
30 June 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

v) Liquidity risk management (cont'd)

Non-derivative financial liabilities (cont'd)

The maximum amount that the company could be forced to settle under the corporate guarantee in relation to credit facilities granted to subsidiaries in Note 37 is $30,108,000 (2022 : $23,360,000). The earliest period that the guarantee could be called is within 1 year (2022 : 1 year) from the end of the reporting period. The company considers that it is more likely than not that no amount will be payable under the arrangement.

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the group and the company anticipate that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial assets in the statements of financial position.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	Adjustments	Total
	% per annum	$'000	$'000	$'000	$'000
Group					
2023					
Non-interest bearing	–	122,135	64	–	122,199
Variable interest rate instruments	5.38	66	84	(9)	141
Fixed interest rate instruments	5.14	3,705	107	(21)	3,791
		125,906	255	(30)	126,131
2022					
Non-interest bearing	–	136,832	66	–	136,898
Variable interest rate instruments	3.08	66	143	(10)	199
Fixed interest rate instruments	2.96	3,368	109	(16)	3,461
		140,266	318	(26)	140,558

NOTES TO FINANCIAL STATEMENTS

30 June 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

v) Liquidity risk management (cont'd)

Non-derivative financial assets (cont'd)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	Adjustments	Total
	% per annum	$'000	$'000	$'000	$'000
Company					
2023					
Non-interest bearing	–	56,260	–	–	56,260
Fixed interest rate instruments	1.79	2	103	(5)	100
		56,262	103	(5)	56,360
2022					
Non-interest bearing	–	59,721	–	–	59,721
Fixed interest rate instruments	1.55	440	105	(8)	537
		60,161	105	(8)	60,258

Derivative financial instruments

As at 30 June 2023, the fair value of the gross settled foreign exchange forward contracts and copper contracts which were on demand or within one year receivable amounted to $2,248,000 (2022 : $163,000) and more than one year receivable amounted to $3,000 (2022 : $1,441,000).

NOTES TO
FINANCIAL STATEMENTS
30 June 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) *Financial risk management policies and objectives (cont'd)*

vi) Fair values of financial assets and financial liabilities

The carrying amounts of cash and bank balances, trade and other current receivables and payables and other current liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and

- the fair value of derivative instruments are calculated using quoted prices.

Management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

The fair value hierarchy of the group's derivative financial instruments relating to forward foreign exchange contracts and copper contracts are classified as Level 2. There were no movements between different levels during the year.

(c) *Capital management policies and objectives*

The group manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the group consists of debt, which includes borrowings disclosed in Notes 21 and 26 (net of cash and cash equivalents) and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated profits as disclosed in Notes 27 to 29.

The group and company are required to maintain compliance with covenants imposed by banks and these include a minimum tangible net worth amount and a maximum gearing ratio. The group and company are in compliance with these covenant requirements for the financial years ended 30 June 2023 and 2022.

The Board of Directors reviews the capital structure regularly to achieve an appropriate capital structure. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital and makes adjustments to the capital structure, where appropriate, in light of changes in economic conditions and the risk of characteristics of the underlying assets.

The group's overall strategy remains unchanged from 2022.

NOTES TO FINANCIAL STATEMENTS

30 June 2023

5 RELATED PARTY TRANSACTIONS

Some of the group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand.

During the year, the group entered into the following significant transactions with related parties:

	Group	
	2023 $'000	2022 $'000
Sales to associates	(8,208)	(8,494)
Purchases from associates	–	14
Services provided by associates	328	252
Management fees charge to associates	(18)	(18)
Rental charge to associates	(188)	(187)
Manpower provided to associates	(46)	(50)
Manpower supply by associates	40	20
Expenses paid on behalf for associates	(48)	(44)

Companies in which members of key management have interests:

	Group	
	2023 $'000	2022 $'000
Sales	(424)	(610)
Purchases	302	368
Consultancy service charges to related party	(90)	(201)
Sales of plant and machinery to a related party	–	(51)
Services provided by related parties	–	70
Manpower provided to related parties	(17)	(17)
Rental provided by related parties	41	45
Expenses paid on behalf for a related party	(120)	(32)
Expenses paid on behalf to a related party	95	106

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group	
	2023 $'000	2022 $'000
Short-term benefits (including directors' fee)	6,887	7,608
Post-employment benefits	292	334
	7,179	7,942

NOTES TO FINANCIAL STATEMENTS

30 June 2023

6 CASH AND BANK BALANCES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Cash and bank balances	28,315	25,838	9,212	8,169
Fixed deposits	3,688	3,358	–	–
	32,003	29,196	9,212	8,169

The fixed deposits bear interest at 0.25% to 5.42% (2022 : 0.25% to 3.00%) per annum and are due within 1 to 12 months (2022 : 1 to 12 months). The fixed deposits can be converted to a known amount of cash at minimum charges at short notice.

7 TRADE RECEIVABLES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Outside parties	93,049	112,011	45,591	49,375
Related parties (Note 5)	662	535	58	62
Subsidiaries (Note 13)	–	–	1,511	953
Associates (Note 14)	3,161	3,252	752	3,176
	96,872	115,798	47,912	53,566
Less: Loss allowance	(4,445)	(6,024)	(2,057)	(2,494)
	92,427	109,774	45,855	51,072

The average credit period is 30 to 120 days (2022 : 30 to 120 days). No interest is charged on the trade receivables.

Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade receivables are estimated using an allowance matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

NOTES TO **FINANCIAL STATEMENTS**

30 June 2023

7 TRADE RECEIVABLES (CONT'D)

The following table details the risk profile of trade receivables from contracts with customers based on the group's allowance matrix. As the group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the group's different customer base.

	Trade receivables - days past due				
	Not past due $'000	**0 - 90 days $'000**	**> 90 days $'000**	**Individually assessed lifetime ECL $'000**	**Total $'000**
Group					
2023					
Expected credit loss rate	0.59%	1.74%	17.26%	100%	–
Estimated total gross carrying amount at default	61,186	27,971	4,979	2,736	96,872
Lifetime ECL	(363)	(486)	(860)	(2,736)	(4,445)
					92,427
2022					
Expected credit loss rate	0.52%	1.50%	17.34%	100%	–
Estimated total gross carrying amount at default	72,165	31,506	8,411	3,716	115,798
Lifetime ECL	(378)	(471)	(1,459)	(3,716)	(6,024)
					109,774
Company					
2023					
Expected credit loss rate	0.30%	1.04%	15.74%	100%	–
Estimated total gross carrying amount at default	32,322	12,329	1,695	1,566	47,912
Lifetime ECL	(96)	(128)	(267)	(1,566)	(2,057)
					45,855
2022					
Expected credit loss rate	0.30%	0.69%	15.66%	100%	–
Estimated total gross carrying amount at default	39,464	10,562	1,469	2,071	53,566
Lifetime ECL	(120)	(73)	(230)	(2,071)	(2,494)
					51,072

NOTES TO FINANCIAL STATEMENTS

30 June 2023

7 TRADE RECEIVABLES (CONT'D)

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

	Individually assessed $'000	Lifetime ECL - credit-impaired $'000	Total $'000
Group			
Balance as at 1 July 2021	2,233	1,843	4,076
Amounts written off	(428)	–	(428)
Amounts recovered	(258)	–	(258)
Change in loss allowance	2,197	487	2,684
Currency realignment	(28)	(22)	(50)
Balance as at 30 June 2022	3,716	2,308	6,024
Amounts written off	(440)	–	(440)
Amounts recovered	(818)	–	(818)
Change in loss allowance	379	(514)	(135)
Currency realignment	(101)	(85)	(186)
Balance as at 30 June 2023	2,736	1,709	4,445
Company			
Balance as at 1 July 2021	790	381	1,171
Amounts written off	(105)	–	(105)
Amounts recovered	(211)	–	(211)
Change in loss allowance	1,597	42	1,639
Balance as at 30 June 2022	2,071	423	2,494
Amounts written off	(73)	–	(73)
Amounts recovered	(454)	–	(454)
Change in loss allowance	22	68	90
Balance as at 30 June 2023	1,566	491	2,057

NOTES TO **FINANCIAL STATEMENTS**

30 June 2023

8 OTHER RECEIVABLES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Subsidiaries (Note 13)	–	–	718	364
Loan to subsidiaries (Note 13)	–	–	–	437
Associates (Note 14)	11	11	–	–
Loan to an associate (Note 14)	141	199	–	–
Related parties (Note 5)	415	358	–	–
Advances to staff	234	67	70	18
Prepayments	2,198	1,774	884	733
Other deposits	572	493	33	5
Advance to suppliers	1,311	784	–	–
Grant receivable	42	195	–	–
Tax recoverable	124	27	–	–
Copper derivative receivable	371	93	371	93
Others	689	363	101	100
Total	6,108	4,364	2,177	1,750
Less: Non-current other receivables	(361)	(482)	(100)	(100)
Less: Loss allowance	(102)	–	–	–
Current other receivables	5,645	3,882	2,077	1,650

In 2022, the loan to subsidiaries of $437,000 bore interest at a fixed rate of 1.50% per annum, is unsecured and the amount is fully repaid on 31 August 2022.

The loan to an associate of $141,000 (2022 : $199,000) bears interest at 5.38% per annum (2022 : 3.08% per annum) is subject to half-yearly review and revision to the prevailing Singapore Bankers lending rate. The loan is unsecured and is to be repaid over 4 years, with fixed monthly instalments of $5,500 that commenced from July 2021.

For the purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

NOTES TO FINANCIAL STATEMENTS

30 June 2023

9 CONTRACT ASSETS

	Group	
	2023	2022
	$'000	$'000
Retention receivables [a]	99	82
Test and inspections contracts [a]:		
- Outside parties	2,453	2,774
- Related parties (Note 5)	65	63
	2,617	2,919

(a) As at 1 July 2021, retention receivable and contract asset from test and inspections contract with outside parties and related parties amounted to $67,000, $5,519,000 and $95,000 respectively.

Contract assets are balances due from customers under on-going contracts that arise when the group receives payments from customers in line with a series of performance-related milestones. The group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

Payment for test and inspections services is not due from the customer until the services are completed and therefore a contract asset is recognised over the period in which the services are performed to represent the group's right to consideration for the services transferred to date.

Management always estimates the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the construction industry. None of the amounts due from customers at the end of the reporting period is past due.

10 DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Forward foreign exchange contracts	811	224	816	224
Copper contracts	1,440	1,380	1,440	1,424
Total	2,251	1,604	2,256	1,648
Less: Non-current	(3)	(1,441)	(3)	(1,441)
Current derivative financial instruments	2,248	163	2,253	207

NOTES TO
FINANCIAL STATEMENTS
30 June 2023

10 DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

Forward foreign exchange contracts

As at 30 June 2023 and 2022, the group and company had outstanding currency derivatives that were used to hedge significant future transactions. The instruments purchased are primarily denominated in the currencies of the group's and company's principal markets.

Details of the group's and company's forward foreign currency contracts outstanding as at the end of the reporting period are as follows:

	Foreign currency		Notional contract value		Fair value	
	2023	2022	2023	2022	2023	2022
	FC'000	FC'000	$'000	$'000	$'000	$'000
Group						
Buy United States dollar less than 12 months	40,050	30,000	52,321	39,861	808	224
Buy United States dollar more than 12 months	3,000	–	3,885	–	3	–
Company						
Buy United States dollar less than 12 months	38,250	30,000	49,888	39,861	813	224
Buy United States dollar more than 12 months	3,000	–	3,885	–	3	–

As at 30 June 2023, the fair value of forward foreign exchange contracts for the group and the company was at $811,000 (2022 : $224,000). These amounts were determined based on observable forward exchange rates, contract forward rates and discounted at a rate that reflected the credit risk of various counterparties at the end of reporting period. Changes in the fair value of the forward foreign exchange contracts were recorded in profit or loss immediately.

Copper contracts

As at 30 June 2023 and 2022, the group and the company had outstanding copper contracts that were used to hedge significant future fluctuations in copper prices. The instruments purchased are primarily copper derivatives where the group and company pay or receive the difference in actual market price against price contracted as the copper derivatives contracts mature.

NOTES TO FINANCIAL STATEMENTS

30 June 2023

11 INVENTORIES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Raw materials	7,972	10,223	5,778	6,940
Work-in-progress	20,898	21,820	13,790	12,575
Finished goods	70,508	59,988	31,843	27,297
Goods-in-transit	1,790	6,778	1,287	6,143
	101,168	98,809	52,698	52,955

Inventories are stated net of an allowance of $435,000 (2022 : $378,000). In addition, $223,000 (2022 : $422,000) of inventories were written off as they were assessed to be not saleable. During the year, there is an allowance for inventories obsolescence of $57,000 (2022 : reversal of allowance for inventories obsolescence of $27,000).

12 ASSETS CLASSIFIED AS HELD FOR SALE

On 6 April 2021, management resolved to dispose of one of the group's foreign branches included in the group's testing and inspection activities for segment reporting purposes (Note 41).

Negotiations with several interested parties have subsequently taken place. The assets and liabilities attributable to the foreign branch, which were expected to be sold within twelve months, have been classified as assets held for sale and are presented separately in the statement of financial position.

The assets recognised however have not been disposed off and management has written off all assets held for sale during the year ended 30 June 2022.

On 18 August 2023, one of the group's subsidiaries entered into a Sales & Purchase Agreement to sell an investment property. Hence, the net book value of the property has been re-classified as assets held for sale as at 30 June 2023.

The following table is a summary of the major classes of assets comprising the classified as held for sale, and the carrying amounts of the assets classified as held for sale as at the end of the reporting period:

	Group	
	2023	2022
	$'000	$'000
Investment properties	169	–
Property, plant and equipment	–	96
Inventories	–	62
Other receivables	–	6
Assets held for sale written off	–	(164)
Net assets held for sale	169	–

NOTES TO FINANCIAL STATEMENTS

30 June 2023

13 SUBSIDIARIES

	Company $'000
Unquoted equity shares, at cost:	
At 1 July 2021 and 30 June 2022	37,567
Acquisition of a subsidiary (Note 40)	870
Less: Provision for impairment of subsidiary	(396)
At 30 June 2023	38,041
Deemed investment [(a)]:	
At 1 July 2021	9,949
Addition during the year	682
At 30 June 2022	10,631
Addition during the year	643
At 30 June 2023	11,274
Carrying amount:	
At 30 June 2023	49,315
At 30 June 2022	48,198

(a) The deemed investment arises from the fair value of corporate guarantees given to subsidiaries to secure the bank facilities.

Fair value of corporate guarantees is the guarantee fee received for issuing the financial guarantee and is approximately 1% (2022 : 1%) per annum of the sum guaranteed under the financial guarantee contract.

NOTES TO FINANCIAL STATEMENTS

30 June 2023

13 SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of company	Principal activities/ Country of incorporation and operation	Proportion of ownership interest and voting power held 2023 %	2022 %
Tai Sin Electric Cables (Malaysia) Sdn. Bhd. [(b)]	Cable and wire manufacturer and dealer in such products/ Malaysia	100	100
PKS Sdn Bhd [(b)]	Electrical switchboards, feeder pillars and components manufacturer and dealer in such products/ Brunei	70	70
Tai Sin (Vietnam) Pte Ltd [(a)]	Intermediate investment holding/ Singapore	100	100
Tai Sin Electric Cables (VN) Company Limited (subsidiary of Tai Sin (Vietnam) Pte Ltd) [(c)]	Cable and wire manufacturer and dealer in such products/ Vietnam	100	100
Lim Kim Hai Electric (VN) Company Limited (subsidiary of Tai Sin (Vietnam) Pte Ltd) [(c)]	Trading of electrical products/ Vietnam	90	90
Tai Sin Power Distribution Pte Ltd [(a)]	Busbar trunking system manufacturer and dealer in such products/ Singapore	100	100
Lim Kim Hai Electric Co (S) Pte Ltd [(a)]	Distributor of electrical products and investment holding/ Singapore	100	100
LKH Electric (M) Sdn. Bhd. (subsidiary of Lim Kim Hai Electric Co (S) Pte Ltd) [(b)]	Dormant/ Malaysia	100	100
LKH Precicon Pte Ltd (subsidiary of Lim Kim Hai Electric Co (S) Pte Ltd) [(a)]	Distributor of electrical products/ Singapore	100	100
LKH Projects Distribution Pte Ltd (subsidiary of Lim Kim Hai Electric Co (S) Pte Ltd) [(a)]	Distributor of electrical products/ Singapore	100	100

NOTES TO FINANCIAL STATEMENTS

30 June 2023

13 SUBSIDIARIES (CONT'D)

Name of company	Principal activities/ Country of incorporation and operation	Proportion of ownership interest and voting power held 2023 %	2022 %
ElectGo Pte Ltd (subsidiary of Lim Kim Hai Electric Co (S) Pte Ltd) [(a)]	Distributor of electrical, controls lighting and safety products/ Singapore	100	100
CAST Laboratories Pte Ltd [(a)]	Laboratories for tests, experiments and researches and provisions of quality consultancy services and investment holding/ Singapore	100	100
CASTconsult Sdn Bhd (subsidiary of CAST Laboratories Pte Ltd) [(b)]	General construction and technical engineering/ Malaysia	100	100
PT CAST Laboratories Indonesia (subsidiary of CAST Laboratories Pte Ltd) [(d)]	Provision of oil and gas, non-construction, testing and analysis services/ Indonesia	95	95
CAST Laboratories (Cambodia) Co. Ltd. (subsidiary of CAST Laboratories Pte Ltd) [(e)]	Technical testing and analysis services/ Cambodia	100	100
Nishi Densen Sdn. Bhd. [(f) (g)] (formerly known as Nishiden (Malaysia) Sdn Bhd)	Fabricating of copper wiring, cables and other related parts/ Malaysia	100	–

(a) Audited by Deloitte & Touche LLP, Singapore.

(b) Audited by overseas practices of Deloitte Touche Tohmatsu Limited.

(c) Audited by DTL Auditing Company, a member firm of RSM International.

(d) Audited by KAP Hendrawinata Hanny Erwin & Sumargo, a member firm of Kreston International.

(e) Audited by Cam Accounting & Tax Service Co., Ltd., a member firm of Kreston International.

(f) Audited by Grant Thornton Malaysia PLT, a member firm of Grant Thornton International Ltd (GTIL).

(g) Acquired on 1 July 2022 as disclosed in Note 40 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

30 June 2023

13 SUBSIDIARIES (CONT'D)

Information about the composition of the group at the end of the financial year is as follows:

Principal activity	Country of incorporation and operation	Number of wholly-owned subsidiaries 2023	Number of wholly-owned subsidiaries 2022
Cable and wire manufacturer and dealer in such products.	Malaysia	1	1
Fabricating of copper wiring, cables and other related parts.	Malaysia	1	–
Dormant.	Malaysia	1	1
Investment holding.	Singapore	1	1
Cable and wire manufacturer and dealer in such products.	Vietnam	1	1
Busbar trunking system manufacturer and dealer in such products.	Singapore	1	1
Distributor of electrical products and investment holding.	Singapore	1	1
Distributor of electrical products.	Singapore	3	3
Laboratories for tests, experiments and researches and provisions of quality consultancy services and investment holding.	Singapore	1	1
General construction and technical engineering.	Malaysia	1	1
Technical testing and analysis services.	Cambodia	1	1
		13	12

Information about the composition of the group at the end of the financial year is as follows:

Principal activity	Country of incorporation and operation	Number of non-wholly owned subsidiaries 2023	Number of non-wholly owned subsidiaries 2022
Trading of electrical products.	Vietnam	1	1
Electrical switchboards, feeder pillars and components manufacturer and dealer in such products.	Brunei	1	1
Provision of oil and gas, non-construction, testing and analysis services.	Indonesia	1	1
		3	3

NOTES TO FINANCIAL STATEMENTS

30 June 2023

13 SUBSIDIARIES (CONT'D)

The table below shows details of non-wholly owned subsidiaries of the group that have material non-controlling interests:

Name of subsidiary	Country of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2023 %	2022 %	2023 $'000	2022 $'000	2023 $'000	2022 $'000
PKS Sdn Bhd	Brunei	30	30	69	63	1,077	1,008
CAST Laboratories Pte Ltd and its subsidiaries [(a)]	Singapore	5	5	4	56	233	269
Lim Kim Hai Electric (VN) Company Limited	Vietnam	10	10	63	67	639	601
Total				136	186	1,949	1,878

(a) Non-controlling interest in CAST Laboratories Pte Ltd and its subsidiaries pertains to PT CAST Laboratories Indonesia.

Summarised financial information in respect of each of the group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	PKS Sdn Bhd		CAST Laboratories Pte Ltd and its subsidiaries		Lim Kim Hai Electric (VN) Company Limited	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Current assets	3,823	4,116	3,461	6,140	7,040	8,024
Non-current assets	230	307	1,663	1,906	113	135
Current liabilities	(367)	(936)	(238)	(2,455)	(776)	(2,159)
Non-current liabilities	(98)	(127)	(226)	(200)	–	–
Equity attributable to owners of the company	2,511	2,352	4,427	5,122	5,738	5,399
Non-controlling interests	1,077	1,008	233	269	639	601

NOTES TO FINANCIAL STATEMENTS

30 June 2023

13 SUBSIDIARIES (CONT'D)

	PKS Sdn Bhd		CAST Laboratories Pte Ltd and its subsidiaries		Lim Kim Hai Electric (VN) Company Limited	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Revenue	4,654	5,285	3,901	7,585	13,231	13,650
Expenses	(4,425)	(5,073)	(3,829)	(6,470)	(12,601)	(12,977)
Profit for the year	229	212	72	1,115	630	673
Profit attributable to owners of the company	160	149	68	1,059	567	606
Profit attributable to the non-controlling interests	69	63	4	56	63	67
Profit for the year	229	212	72	1,115	630	673
Other comprehensive (loss) income attributable to owners of the company	–	–	(192)	39	(228)	113
Other comprehensive (loss) income attributable to the non-controlling interests	–	–	(10)	2	(25)	13
Other comprehensive (loss) income for the year	–	–	(202)	41	(253)	126
Total comprehensive income (loss) attributable to owners of the company	160	149	(124)	1,098	339	719
Total comprehensive income (loss) attributable to the non-controlling interests	69	63	(6)	58	38	80
Total comprehensive income (loss) for the year	229	212	(130)	1,156	377	799

NOTES TO FINANCIAL STATEMENTS

30 June 2023

13 SUBSIDIARIES (CONT'D)

	PKS Sdn Bhd		CAST Laboratories Pte Ltd and its subsidiaries		Lim Kim Hai Electric (VN) Company Limited	
	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000
Dividends declared/paid to non-controlling interests	–	–	30	–	–	104
Net cash inflow (outflow) from operating activities	840	(44)	110	2,683	161	3,441
Net cash inflow (outflow) from investing activities	(5)	(3)	(323)	(377)	135	89
Net cash inflow (outflow) from financing activities	–	–	(1,088)	(39)	–	(1,044)
Net cash inflow (outflow)	835	(47)	(1,301)	2,267	296	2,486

14 ASSOCIATES

	Group	
	2023	2022
	$'000	$'000
Unquoted equity shares, at cost	3,188	3,188
Share of post-acquisition results and reserves, net of dividends received	8,852	8,215
	12,040	11,403

NOTES TO FINANCIAL STATEMENTS

30 June 2023

14 ASSOCIATES (CONT'D)

Details of the group's associates and its significant investments are as follows:

Name of associate	Principal activities/ Country of incorporation and operation	Proportion of ownership interest 2023 %	Proportion of ownership interest 2022 %	Proportion of voting power held 2023 %	Proportion of voting power held 2022 %
Held by Lim Kim Hai Electric Co (S) Pte Ltd					
Nylect International Pte. Ltd. [(a)]	Investment holding/ Singapore	30	30	30	30
PT Elmecon Multikencana [(d)]	Trading of electronic and electrical appliances/ Indonesia	40	40	40	40
Held by Nylect International Pte. Ltd.					
Nylect Engineering Pte Ltd [(a)]	Mechanical and electrical design and installation/ Singapore	100	100	100	100
Nylect Technology Ltd Vietnam [(e)]	Mechanical and electrical design and installation/ Vietnam	100	100	100	100
Nylect Engineering (Shanghai) Co., Ltd. [(f)]	Mechanical and electrical design and installation/ People's Republic of China	100	100	100	100
Nylect Technology (Myanmar) Ltd [(b)]	Mechanical and electrical design and installation/ Myanmar	70	70	70	70
Held by Nylect Engineering Pte Ltd					
NEPL Pte Ltd [(a)]	Mechanical and electrical design and installation/ Singapore	100	100	100	100
Nylect Technology (Myanmar) Ltd [(b)]	Mechanical and electrical design and installation/ Myanmar	30	30	30	30
Held by CAST Laboratories Pte Ltd					
Astar Laboratory Pte. Ltd. [(c)]	Provision of environmental engineering services, laboratory testing services and other related services/ Singapore	37.50	37.50	37.50	37.50

(a) Audited by RSM Chio Lim LLP, Singapore and member firm of RSM International.

(b) Audited by UTW (Myanmar) Limited, a member firm of Ernst & Young Global Limited.

(c) Audited by LL Ong & Co., Public Accountants and Chartered Accountant of Singapore.

(d) Audited by MGI Gideon Adi & Rekan, Public Accountants and Chartered Accountant of Indonesia.

(e) Audited by DTL Auditing Company, a member firm of RSM International.

(f) Audited by SBA Stone Forest CPA, an alliance firm of RSM Chio Lim LLP.

NOTES TO FINANCIAL STATEMENTS

30 June 2023

14 ASSOCIATES (CONT'D)

The above associates are accounted for using the equity method in these consolidated financial statements.

i. The financial year end date of Nylect International Pte. Ltd. is 31 December. This was the reporting date established when that company was incorporated. For the purposes of applying the equity method of accounting, the audited consolidated financial statements of the associate for the year ended 31 December 2022 and the unaudited consolidated management accounts for the intervening 6 month periods ended 30 June 2023 and 2022 have been used. Further, the group has significant influence over Nylect International Pte. Ltd. by virtue of the current board representation where the group has appointed one out of the three directors and the group has 30% voting interest.

ii. The financial year end date of PT Elmecon Multikencana is 31 December. For the purposes of applying the equity method of accounting, the audited consolidated financial statements of the associate for the year ended 31 December 2022 and the unaudited consolidated management accounts for the intervening 6 month periods ended 30 June 2023 and 2022 have been used. Further, the group has significant influence over PT Elmecon Multikencana by virtue of the current board representation where the group has appointed one out of the three directors and the group has 40% voting interest.

iii. The group has significant influence over Astar Laboratory Pte. Ltd. by virtue of the current board representation where the group has appointed one out of the two directors and the group has 37.50% voting interest.

Summarised financial information in respect of the group's associate is set out below. The summarised financial information below represents amounts shown in the associate's consolidated financial statements prepared in accordance with SFRS(I), adjusted by the group for equity accounting purposes.

Nylect International Pte. Ltd. and its subsidiaries

	2023 $'000	2022 $'000
Current assets	38,766	41,408
Non-current assets	13,801	14,480
Current liabilities	(17,139)	(20,058)
Non-current liabilities	(1,293)	(3,148)
Revenue	40,020	49,101
Profit for the year	958	3,222
Other comprehensive loss for the year	(62)	(53)
Total comprehensive income for the year	896	3,169
Dividend received from the associate during the year	90	108

NOTES TO FINANCIAL STATEMENTS

30 June 2023

14 ASSOCIATES (CONT'D)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the group's associate recognised in the consolidated financial statement:

	2023 $'000	2022 $'000
Net assets of the associate	34,135	32,682
Proportion of the group's ownership interest in Nylect International Pte. Ltd. and its subsidiaries	30%	30%
Carrying amount of the group's interest in Nylect International Pte. Ltd. and its subsidiaries	10,241	9,804

PT Elmecon Multikencana

	2023 $'000	2022 $'000
Current assets	5,826	2,671
Non-current assets	547	615
Current liabilities	(4,329)	(1,704)
Non-current liabilities	(98)	(134)
Revenue	10,508	5,249
Profit for the year	527	360
Other comprehensive income for the year	–*	–*
Total comprehensive income for the year	527	359

Reconciliation of the above summarised financial information to the carrying amount of the interest in the group's associate recognised in the consolidated financial statement:

	2023 $'000	2022 $'000
Net assets of the associate	1,947	1,448
Proportion of the group's ownership interest in PT Elmecon Multikencana	40%	40%
Goodwill	90	90
Carrying amount of the group's interest in PT Elmecon Multikencana	868	669

* Amount less than $1,000.

NOTES TO
FINANCIAL STATEMENTS
30 June 2023

14 ASSOCIATES (CONT'D)

Astar Laboratory Pte. Ltd.

	2023 $'000	2022 $'000
Current assets	1,131	1,071
Non-current assets	710	909
Current liabilities	(492)	(437)
Non-current liabilities	(183)	(379)
Revenue	2,202	2,025
Profit (Loss) for the year, representing total comprehensive income (loss) for the year	2	(80)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the group's associate recognised in the consolidated financial statement:

	2023 $'000	2022 $'000
Net assets of the associate	1,166	1,164
Proportion of the group's ownership interest in Astar Laboratory Pte. Ltd.	37.50%	37.50%
Goodwill	512	512
Carrying amount of the group's interest in Astar Laboratory Pte. Ltd.	931	930

NOTES TO FINANCIAL STATEMENTS

30 June 2023

15 PROPERTY, PLANT AND EQUIPMENT

	Freehold land $'000	Freehold property $'000	Leasehold buildings $'000	Office equipment and furniture $'000	Plant and machinery $'000	Motor vehicles $'000	Total $'000
Group							
Cost:							
At 1 July 2021	2,047	6,272	34,445	10,863	40,070	4,738	98,435
Additions	–	–	–	1,741	2,716	64	4,521
Currency realignment	(47)	(38)	31	12	(76)	(1)	(119)
Disposals	–	–	–	(54)	(575)	(451)	(1,080)
Write-offs	–	(1)	–	(184)	(496)	(3)	(684)
At 30 June 2022	2,000	6,233	34,476	12,378	41,639	4,347	101,073
Acquired on acquisition of a subsidiary	–	–	97	7	184	15	303
Additions	–	18	178	1,857	2,518	446	5,017
Currency realignment	(168)	(135)	(84)	(130)	(832)	(61)	(1,410)
Disposals	–	–	–	(63)	(326)	(236)	(625)
Write-offs	–	–	(4)	(300)	(645)	(4)	(953)
At 30 June 2023	1,832	6,116	34,663	13,749	42,538	4,507	103,405

NOTES TO
FINANCIAL STATEMENTS
30 June 2023

15 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land $'000	Freehold property $'000	Leasehold buildings $'000	Office equipment and furniture $'000	Plant and machinery $'000	Motor vehicles $'000	Total $'000
Accumulated depreciation:							
At 1 July 2021	–	796	16,277	8,729	29,422	3,746	58,970
Depreciation	–	147	928	987	2,541	434	5,037
Currency realignment	–	(14)	7	1	(62)	(6)	(74)
Disposals	–	–	–	(53)	(332)	(427)	(812)
Write-offs	–	(1)	–	(177)	(461)	(3)	(642)
At 30 June 2022	–	928	17,212	9,487	31,108	3,744	62,479
Depreciation	–	143	942	1,132	2,545	325	5,087
Currency realignment	–	(57)	(21)	(100)	(544)	(52)	(774)
Disposals	–	–	–	(63)	(261)	(234)	(558)
Write-offs	–	–	–	(286)	(600)	(4)	(890)
At 30 June 2023	–	1,014	18,133	10,170	32,248	3,779	65,344
Carrying amount:							
At 30 June 2023	1,832	5,102	16,530	3,579	10,290	728	38,061
At 30 June 2022	2,000	5,305	17,264	2,891	10,531	603	38,594

NOTES TO FINANCIAL STATEMENTS

30 June 2023

15 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold buildings $'000	Office equipment and furniture $'000	Plant and machinery $'000	Motor vehicles $'000	Total $'000
Company					
Cost:					
At 1 July 2021	15,110	2,695	18,974	1,908	38,687
Additions	–	157	585	–	742
Disposals	–	(3)	(83)	–	(86)
Write-offs	–	(2)	(3)	–	(5)
At 30 June 2022	15,110	2,847	19,473	1,908	39,338
Additions	–	492	1,101	72	1,665
Disposals	–	(2)	(82)	(193)	(277)
Write-offs	–	(146)	(178)	(2)	(326)
At 30 June 2023	15,110	3,191	20,314	1,785	40,400
Accumulated depreciation:					
At 1 July 2021	8,276	2,010	15,192	1,715	27,193
Depreciation	453	316	838	98	1,705
Disposals	–	(2)	(83)	–	(85)
Write-offs	–	(2)	(1)	–	(3)
At 30 June 2022	8,729	2,322	15,946	1,813	28,810
Depreciation	453	225	832	52	1,562
Disposals	–	(2)	(82)	(193)	(277)
Write-offs	–	(133)	(155)	(2)	(290)
At 30 June 2023	9,182	2,412	16,541	1,670	29,805
Carrying amount:					
At 30 June 2023	5,928	779	3,773	115	10,595
At 30 June 2022	6,381	525	3,527	95	10,528

NOTES TO FINANCIAL STATEMENTS

30 June 2023

15 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The group's significant freehold land and property, and leasehold land and buildings comprise the following:

Location	Title	Description
24 Gul Crescent Singapore 629531 [(a)]	Leasehold (52 years from 1 August 1980)	Land and factory building
22 Gul Crescent Singapore 629530 [(a)]	Leasehold (28 years 7 months from 31 December 2004)	Land and factory building
11 Gul Lane Singapore 629410 [(a)]	Leasehold (51 years 16 days from 16 July 1981)	Land and factory building
9 Gul Lane Singapore 629408 [(a)]	Leasehold (18 years 30 days from 1 December 2018)	Land and factory building
27 Gul Avenue Singapore 629667 [(a)]	Leasehold (60 years from 1 July 1979)	Land and factory building
17 Tuas Avenue 8 Singapore 639232 [(a)]	Leasehold (60 years from 16 December 1995)	Land and factory building
53 Kallang Place Singapore 339177 [(a)]	Leasehold (60 years from 1 April 1976)	Industrial building
63 Hillview Avenue #10-21 Lam Soon Industrial Building Singapore 669569	Freehold	Flatted factory unit
63 Hillview Avenue #08-19 Lam Soon Industrial Building Singapore 669569	Freehold	Flatted factory unit
The Canary Heights Binh Duong Boulevard Binh Hoa Ward Thuan An District Binh Duong Province, Vietnam	Leasehold (50 years from 14 July 2008)	Apartment unit

NOTES TO FINANCIAL STATEMENTS

30 June 2023

15 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Location	Title	Description
No. 20 VSIP II, Street 2, Vietnam Singapore Industrial Park 2 Hoa Phu Ward, Thu Dau Mot City, Binh Duong Province, Vietnam [(a)]	Leasehold (50 years from 29 June 2006)	Land and factory building
PTD 37433, 37434 & 37444 Off Jalan Perindustrian Senai 3 Kawasan Perindustrian Senai Fasa 2 81400 Senai, Johor Bahru Johor Darul Takzim, Malaysia	Freehold	Land and factory building
Lot B Kawasan Perindustrian Beribi 1 Jalan Gadong BE1118 Bandar Seri Begawan Negara Brunei Darussalam [(a)]	Leasehold (20 years from 1 July 2012)	Land and factory building
The Central Sukajadi Block B1, No. 3A-5 Batam 29462, Indonesia	Leasehold (30 years from 5 August 2003)	Office shop lot
Street 1019, Sangkat Kork Kleang Khan Sen Sok Phnom Penh, Cambodia [(a)(b)]	Leasehold (15 years from 1 March 2021)	Warehouse building and office

(a) The carrying amounts of the leasehold land and buildings are classified under right-of-use assets (Note 16) as at 30 June 2023 was $10,365,000 (2022 : $13,558,000).

(b) The carrying amount of the leasehold building is recorded as right-of-use assets (Note 16) only.

NOTES TO
FINANCIAL STATEMENTS
30 June 2023

16 RIGHT-OF-USE ASSETS

The group leases several leasehold land and buildings, office equipment and motor vehicles. As at 30 June 2023, the average remaining lease term is between 3 months to 32 years (2022 : 3 months to 33 years).

The group has options to purchase certain equipment for a nominal amount at the end of the lease term. The group's obligations are secured by the lessors' title to the leased assets for such leases.

	Leasehold land and buildings $'000	Office equipment $'000	Motor vehicles $'000	Total $'000
Group				
Cost:				
At 1 July 2021	16,013	491	612	17,116
Additions	252	339	263	854
De-recognition	(374)	(402)	–	(776)
Adjustment#	88	–	–	88
Currency realignment	176	–	(8)	168
At 30 June 2022	16,155	428	867	17,450
Additions	585	48	514	1,147
De-recognition	(99)	–	–	(99)
Adjustment#	388	–	–	388
Currency realignment	(184)	(1)	(30)	(215)
At 30 June 2023	16,845	475	1,351	18,671
Accumulated depreciation:				
At 1 July 2021	1,802	245	307	2,354
Depreciation	1,157	97	194	1,448
De-recognition	(374)	(262)	–	(636)
Currency realignment	12	–	(6)	6
At 30 June 2022	2,597	80	495	3,172
Depreciation	1,311	91	264	1,666
De-recognition	(87)	–	–	(87)
Currency realignment	(30)	(1)	(25)	(56)
At 30 June 2023	3,791	170	734	4,695
Impairment:				
At 1 July 2021 and 30 June 2022	–	–	–	–
Impairment loss	2,706	–	–	2,706
Currency realignment	(17)	–	–	(17)
At 30 June 2023	2,689	–	–	2,689
Carrying amount:				
At 30 June 2023	10,365	305	617	11,287
At 30 June 2022	13,558	348	372	14,278

Revision of rental rates and rental term.

NOTES TO FINANCIAL STATEMENTS

30 June 2023

16 RIGHT-OF-USE ASSETS (CONT'D)

Impairment losses recognised during the year

During the year, the group carried out a review of the recoverable amount of a lease building premise, which possesses a remaining lease term of 13 years.

The review led to the recognition of an impairment loss of $2,706,000 (2022 : $Nil) that has been recognised in the profit or loss and included in the other operating expenses line item. The group also estimated the fair value less costs of disposal of the building premise which is based on the recent market prices of assets with similar age and obsolescence. The fair value less costs of disposal is less than the value in use and hence the recoverable amount of the relevant assets has been determined on the basis of their value in use. The building premise was impaired to their recoverable amount based on the value in use of $1,580,000, which is their carrying value at year end.

The average growth rate for revenue and discount rate used in measuring value in use were 20% (excluding 2024 which is expected to double in revenue) per annum and 15% respectively. No impairment was performed in 2022 as there was no indication of impairment.

	Leasehold land $'000
Company	
Cost:	
At 1 July 2021 and 30 June 2022	5,104
Adjustment#	129
At 30 June 2023	5,233
Accumulated depreciation:	
At 1 July 2021	728
Depreciation	363
At 30 June 2022	1,091
Depreciation	372
At 30 June 2023	1,463
Carrying amount:	
At 30 June 2023	3,770
At 30 June 2022	4,013

Revision of rental rates.

NOTES TO FINANCIAL STATEMENTS

30 June 2023

17 INVESTMENT PROPERTIES

	Group $'000
Cost:	
At 1 July 2021	3,271
Currency realignment	(76)
At 30 June 2022	3,195
Additions	312
Disposals	(132)
Reclassified as held for sale (Note 12)	(180)
Currency realignment	(269)
At 30 June 2023	2,926
Accumulated depreciation:	
At 1 July 2021	240
Depreciation	53
Currency realignment	(6)
At 30 June 2022	287
Depreciation	55
Disposals	(1)
Reclassified as held for sale (Note 12)	(4)
Currency realignment	(26)
At 30 June 2023	311
Carrying amount:	
At 30 June 2023	2,615
At 30 June 2022	2,908

The investment properties of the group at the end of the reporting period are as follows:

Location	Title	Description
Lot 45101, PLO 158 Jalan Murni 12 Taman Perindustrian Murni 81400 Senai Johor, Malaysia	Freehold	Commercial property for leasing
Lot 56605, Lot 91 Off Persiaran Golf, Saujana Resort, Seksyen U2, 40150 Shah Alam, Selangor, Malaysia	Freehold	Apartment unit for leasing

NOTES TO FINANCIAL STATEMENTS

30 June 2023

17 INVESTMENT PROPERTIES (CONT'D)

The property rental income from the group's investment properties which is leased out under operating lease amounted to $158,000 (2022 : $166,000). Direct operating expenses (including repairs and maintenance) arising from the rental-generating investment properties amounted to $14,000 (2022 : $15,000).

The fair value of the investment properties as at 30 June 2023 amounted to $3,949,000 (2022 : $4,748,000) and had been determined on the basis of valuations carried out by an independent valuer having an appropriate recognised professional qualification.

18 GOODWILL

	Goodwill on consolidation $'000
Group	
Cost:	
At 1 July 2021 and 30 June 2022	–
Recognised on acquisition of a subsidiary (Note 40)	129
At 30 June 2023	129
Carrying amount:	
At 30 June 2023	129
At 30 June 2022	–

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. Before recognition of impairment losses, the carrying amount of goodwill had been allocated as follows:

	Group	
	2023 $'000	2022 $'000
Nishi Densen Sdn. Bhd.	129	–

The group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

NOTES TO **FINANCIAL STATEMENTS**

30 June 2023

19 INTANGIBLE ASSETS

	Customer relationships $'000
Group	
Cost:	
At 1 July 2021, 30 June 2022 and 30 June 2023	2,114
Accumulated amortisation:	
At 1 July 2021, 30 June 2022 and 30 June 2023	2,114
Carrying amount:	
At 30 June 2022 and 30 June 2023	–

20 DEFERRED TAX ASSETS (LIABILITIES)

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Deferred tax assets	1,292	1,853	1,200	1,732
Deferred tax liabilities	(807)	(907)	–	–

The major components giving rise to deferred tax assets and liabilities recognised by the group and the company and movements thereon during the year:

Deferred tax assets

	Provisions $'000	Unutilised capital allowances $'000	Total $'000
Group			
At 1 July 2021	3,402	1	3,403
(Charge) Credit to profit or loss	(1,568)	13	(1,555)
Effect of change in tax rate	4	–	4
Currency realignment	1	–*	1
At 30 June 2022	1,839	14	1,853
Charge to profit or loss	(542)	(14)	(556)
Currency realignment	(5)	–*	(5)
At 30 June 2023	1,292	–	1,292

* Amount less than $1,000.

NOTES TO FINANCIAL STATEMENTS

30 June 2023

20 DEFERRED TAX ASSETS (LIABILITIES) (CONT'D)

Deferred tax liabilities

	Accelerated tax depreciation $'000	Total $'000
Group		
At 1 July 2021	(946)	(946)
Credit to profit or loss	37	37
Currency realignment	2	2
At 30 June 2022	(907)	(907)
Recognised on acquisition of a subsidiary	(30)	(30)
Credit to profit or loss	126	126
Currency realignment	4	4
At 30 June 2023	(807)	(807)

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised is $90.88 million (2022 : $89.36 million). No liability has been recognised in respect of these differences because the group is in a position to control the timing of reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

	Provisions $'000	Accelerated tax depreciation $'000	Total $'000
Company			
At 1 July 2021	3,986	(644)	3,342
(Charge) Credit to profit or loss	(1,720)	110	(1,610)
At 30 June 2022	2,266	(534)	1,732
Charge to profit or loss	(454)	(78)	(532)
At 30 June 2023	1,812	(612)	1,200

NOTES TO FINANCIAL STATEMENTS

30 June 2023

21 BANK BORROWINGS

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Bank loans - secured	4,316	4,000	–	–
Bank loans - unsecured	–	1,499	–	–
Trust receipts and bills payable to banks	29,210	25,871	6,016	4,261
Total	33,526	31,370	6,016	4,261

The group's bank borrowings are secured by the following:

i) negative pledge over all assets of a subsidiary; and

ii) corporate guarantees given to subsidiaries of up to RM91.50 million ($26.51 million) [2022 : RM91.50 million ($28.94 million)], US$10 million ($13.56 million) [2022 : US$10 million ($13.93 million)], and $24.32 million (2022 : $25.32 million) by the company (Note 37).

Bank borrowings, excluding bills payable, for the group and company amounting to $32,810,000 (2022 : $30,845,000) and $6,016,000 (2022 : $4,261,000) bear fixed interest rates ranging from 3.02% to 5.30% (2022 : 1.20% to 3.42%) and 4.39% to 4.50% (2022 : 1.20% to 2.31%) per annum respectively. Trust receipts of $716,000 (2022 : $Nil) by the group bear variable interest rates with average effective interest rate of 7.39% (2022: $Nil). Bills payables to banks amounting $Nil (2022 : $525,000) are non-interest bearing. Secured bank loan, trust receipt and bill payables to banks are due within 12 months.

Reconciliation of liabilities arising from financing activities

The table below details changes in the group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the group's consolidated statement of cash flows as cash flows from financing activities.

			Non-cash changes			
	1 July 2022	Financing cash flow	New leases and acquired on acquisition of a subsidiary	De-recognition of leases	Foreign exchange movement	30 June 2023
	$'000	$'000	$'000	$'000	$'000	$'000
Bank borrowings (Note 21)	31,370	3,897	–	–	(1,741)	33,526
Lease liabilities (Note 26)	11,670	(935)	1,555	(12)	(84)	12,194
	43,040	2,962	1,555	(12)	(1,825)	45,720

NOTES TO FINANCIAL STATEMENTS

30 June 2023

21 BANK BORROWINGS (CONT'D)

Reconciliation of liabilities arising from financing activities (cont'd)

	1 July 2021	Financing cash flow	Non-cash changes			30 June 2022
			New leases	De-recognition of leases	Foreign exchange movement	
	$'000	$'000	$'000	$'000	$'000	$'000
Bank borrowings (Note 21)	18,177	13,552	–	–	(359)	31,370
Lease liabilities (Note 26)	11,667	(858)	942	(144)	63	11,670
	29,844	12,694	942	(144)	(296)	43,040

22 TRADE PAYABLES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Outside parties	23,513	38,636	7,068	15,696
Related parties (Note 5)	6	7	–	–
Subsidiaries (Note 13)	–	–	4,486	880
Associates (Note 14)	87	52	–	–
	23,606	38,695	11,554	16,576

The average credit period on purchases of goods is 90 days (2022 : 90 days).

23 OTHER PAYABLES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Accruals [(a)]	9,507	9,996	2,762	3,003
Provision for directors' fees	237	214	83	63
Deferred grant income	117	150	46	57
Sundry payables	1,208	1,342	233	240
Subsidiary (Note 13)	–	–	40	–
Associate (Note 14)	9	8	–	–
Total	11,078	11,710	3,164	3,363
Less: Non-current other payables	(195)	(191)	–	–
Current other payables	10,883	11,519	3,164	3,363

(a) Accruals mainly relate to accruals for staff costs.

NOTES TO FINANCIAL STATEMENTS

30 June 2023

24 CONTRACT LIABILITIES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Amounts received in advance of delivery [(a)]	3,150	2,447	29	345
Amounts related to test and inspections contracts [(b)]	29	36	–	–
	3,179	2,483	29	345

(a) Revenue is recognised when control of the goods has been transferred to the customer. A contract liability is recognised at the time of the initial payment by the customer and derecognised upon the delivery of goods to customers.

(b) Contract liabilities relating to test and inspections contracts are recognised when advance billing is made to customer for ongoing contracts. A contract liability is recognised until the services have been provided to the customer.

There were no significant changes in the contract liability balances during the reporting period.

The following table shows how much of the revenue recognised in the current reporting period relates to brought–forward contract liabilities. There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

Group's revenue recognised that was included in the contract liability balance at the beginning of the period:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Amounts received in advance of delivery	2,447	1,570	345	77
Amounts related to test and inspections contracts	36	14	–	–
	2,483	1,584	345	77

NOTES TO FINANCIAL STATEMENTS

30 June 2023

25 PROVISION FOR ONEROUS CONTRACTS

	Group and Company	
	2023	2022
	$'000	$'000
Balance at beginning of year	12,557	22,687
Credit to profit or loss	(4,671)	(10,130)
Balance at end of year	7,886	12,557

Management has made assessment for the fixed price onerous contracts which deliveries are expected to be made over the next 3 years after the year end. During the year, a reversal provision for onerous contracts of $4.67 million (2022 : $10.13 million) was made based on prevailing copper price as at the end of the reporting period. Any fluctuation in copper price subsequent to year end will result in addition or reversal of such provision.

The reversals of provision for onerous contract for the financial year ended 30 June 2023 and 2022 have been credited to cost of sales.

26 LEASE LIABILITIES (GROUP AS A LESSEE)

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Maturity analysis:				
Year 1	1,593	1,183	478	464
Year 2	1,393	1,054	478	464
Year 3	1,214	983	478	464
Year 4	1,293	1,096	478	464
Year 5	1,263	1,261	478	464
Year 6 onwards	10,376	11,418	2,449	2,834
	17,132	16,995	4,839	5,154
Less: Unearned interest	(4,938)	(5,325)	(815)	(936)
	12,194	11,670	4,024	4,218
Analysed as:				
Current	1,203	825	338	317
Non-current	10,991	10,845	3,686	3,901
	12,194	11,670	4,024	4,218

The group does not face a significant liquidity risk with regard to its lease liabilities.

NOTES TO FINANCIAL STATEMENTS

30 June 2023

27 SHARE CAPITAL

	Group and Company	
	Number of ordinary shares	$'000
Issued and paid up capital:		
At 1 July 2021, 30 June 2022 and 30 June 2023	462,988,841	63,712

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividend.

28 TREASURY SHARES

	Group and Company	
	Number of ordinary shares	$'000
At 1 July 2021, 30 June 2022 and 30 June 2023	2,727,000	950

29 RESERVES

Other reserves

Other reserves include share of post-acquisition reserve of associates and reserves arising from the acquisition of additional interests in subsidiaries.

In accordance with the relevant laws and regulations in People's Republic of China, the associate of the group is required to appropriate a minimum of 10% of the net profit after taxation after deducting losses carried forward reported in the statutory accounts to the statutory reserve until the balance of such reserve reached 50% of its registered share capital.

The amount to be set aside is determined by the Board of Directors annually in accordance with the relevant regulations. This reserve cannot be used for purposes other than those for which it is created and is not distributed as cash dividends but it can be used to offset losses or be capitalised as capital.

NOTES TO **FINANCIAL STATEMENTS**

30 June 2023

30 REVENUE

The group derives its revenue from the transfer of goods and services over time and at a point in time in the following major operating segments. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 (see Note 41).

	Group	
	2023	**2022**
	$'000	**$'000**
At a point in time:		
Cable and wire distribution	280,228	232,418
Electrical material distribution	108,310	109,732
Test and inspections	10,301	10,419
Switchboard	4,654	5,285
Over time:		
Electrical material distribution	49	296
Test and inspections	18,184	20,902
	421,726	379,052

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period.

	Group	
	2023	**2022**
	$'000	**$'000**
Test and inspections contracts	21,267	23,916

Management expects that 41.85% (2022 : 41.51%) of the transaction price allocated to the on-going contracts as of 30 June 2023 will be recognised as revenue during the next reporting period amounting to $8,901,000 (2022 : $9,927,000). Of the remaining 58.15% (2022 : 58.49%), $10,750,000 (2022 : $13,793,000) will be recognised between financial years 2025 to 2028 (2022 : 2024 to 2027) and $1,616,000 (2022 : $196,000) in the financial year 2029 (2022 : 2028) onwards.

NOTES TO
FINANCIAL STATEMENTS
30 June 2023

31 OTHER OPERATING INCOME

	Group	
	2023	2022
	$'000	$'000
Gain on disposal of property, plant and equipment	52	109
Gain on disposal of right-of-use assets	–*	4
Gain on foreign currency exchange	323	486
Interest income from deposits	262	170
Management fee (Note 5)	18	18
Rental of investment properties (Note 17)	158	166
Scrap sales	1,707	903
Reversal of allowance for trade and other receivables	846	–
Fair value adjustment on derivative financial instruments taken to profit or loss	644	–
Government grants	426	1,815
Others	564	673
	5,000	4,344

* Amount less than $1,000.

32 FINANCE COSTS

	Group	
	2023	2022
	$'000	$'000
Interest on bank borrowings	1,812	494
Interest on lease liabilities	342	553
	2,154	1,047

NOTES TO FINANCIAL STATEMENTS

30 June 2023

33 INCOME TAX EXPENSE

	Group	
	2023	2022
	$'000	$'000
Income tax:		
Current	3,746	3,854
Under (Over) provision in prior years	326	(292)
	4,072	3,562
Deferred income tax:		
Current	900	1,432
(Over) Under provision in prior years	(469)	83
	431	1,515
Withholding tax	79	12
Total income tax expense	4,582	5,089

Domestic income tax is calculated at 17% (2022 : 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total charge for the year can be reconciled to the accounting profit as follows:

	Group	
	2023	2022
	$'000	$'000
Profit before income tax	21,392	27,281
Income tax expense at domestic rate of 17% (2022 : 17%)	3,637	4,638
Non-deductible items	1,513	553
Income not taxable	(420)	(511)
Deferred tax benefits not recognised	121	455
Over provision of taxation in prior years	(143)	(209)
Tax rebates	(115)	(124)
Effect of different tax rates of subsidiaries operating in other jurisdictions	121	274
Utilisation of deferred tax benefits previously not recognised	(162)	(12)
Withholding tax	79	12
Others	(49)	13
	4,582	5,089

NOTES TO **FINANCIAL STATEMENTS**

30 June 2023

33 INCOME TAX EXPENSE (CONT'D)

The subsidiaries have tax losses carryforward and temporary differences from capital allowance available for offsetting against future taxable income as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Unutilised capital allowance		
Balance at beginning of year	–	2,121
Adjustment	–	(2,105)
Currency realignment	–	(16)
Balance at end of year	–	–

	Group	
	2023	**2022**
	$'000	**$'000**
Tax losses carryforward		
Balance at beginning of year	2,242	895
Adjustment	–	(379)
Arising from acquisition of a subsidiary	309	–
Movement during the year	507	1,672
Currency realignment	(86)	54
Balance at end of year	2,972	2,242
Total	2,972	2,242
Deferred tax benefits on above:		
Unrecorded	602	448

Deferred tax benefit varies from the Singapore statutory rate as they include deferred tax on overseas operations.

Certain deferred tax benefits have not been recognised as it is not probable that the relevant subsidiaries will have taxable profits in the foreseeable future to utilise the tax losses carryforward and temporary differences from capital allowances.

The realisation of the future income tax benefit from the remaining tax losses carryforward and temporary differences from capital allowances is available for an unlimited future period subject to conditions imposed by law including the retention of majority shareholders as defined.

NOTES TO FINANCIAL STATEMENTS

30 June 2023

34 PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	Group	
	2023 $'000	2022 $'000
Directors' remuneration:		
- of the company	1,275	1,680
- of the subsidiaries	2,855	2,775
Total directors' remuneration	4,130	4,455
Directors' fee	438	404
Audit fees:		
- Auditors of the company	405	342
- Other auditors	73	35
Non-audit fees:		
- Auditors of the company	43	40
- Other auditors	26	19
Cost of inventories recognised as expense	332,831	274,605
Reversal of provision for onerous contracts	(4,671)	(10,130)
Expense relating to short-term leases	1,119	1,008
Expense relating to leases of low value assets	33	27
Foreign currency exchange adjustment gain	(323)	(486)
Property, plant and equipment written off	63	42
Inventories written off	223	422
Allowance for (Reversal of) inventories obsolescence	57	(27)
Bad debts (recovered) written off	(8)	1
(Reversal of) loss allowance for trade and other receivables	(846)	2,426
Depreciation of property, plant and equipment	5,087	5,037
Depreciation of investment properties	55	53
Depreciation on right-of-use assets	1,666	1,448
Impairment loss on assets held for sale	–	164
Impairment loss on right-of-use assets	2,706	–
Gain on disposal of property, plant and equipment	(52)	(109)
Gain on disposal of right-of-use assets	–*	(4)
Loss on disposal of an investment property	4	–
Loss on revaluation of other investments	1	1
Fair value adjustments on derivative financial instruments taken to profit or loss	(644)	12,277
Realised loss (gain) on derivative financial instruments included in cost of sales	760	(8,008)
Government grants	(426)	(1,815)
Interest income	(262)	(170)
Employee benefits expense (including directors' remuneration)	48,520	49,778
Cost of defined contribution plans included in employee benefits expense	3,548	3,471

* Amount less than $1,000

NOTES TO FINANCIAL STATEMENTS

30 June 2023

35 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the company is based on the following data:

Earnings

	Group	
	2023 $'000	2022 $'000
Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to equity holders of the company)	16,674	22,006

Number of shares

	Group	
	2023	2022
Weighted average number of ordinary shares for the purposes of basic earnings per share and diluted earnings per share	460,261,841	460,261,841

36 DIVIDENDS

During the financial year ended 30 June 2023, the company declared and paid dividends totalling $10.816 million. Details were as follows:

(a) Final tax-exempt dividend of 1.60 cent per ordinary share in respect of the financial year ended 30 June 2022 totalling $7.364 million; and

(b) Interim tax-exempt dividend of 0.75 cent per ordinary share in respect of the financial year ended 30 June 2023 totalling $3.452 million.

During the financial year ended 30 June 2022, the company declared and paid dividends totalling $10.356 million. Details were as follows:

(a) Final tax-exempt dividend of 1.50 cent per ordinary share in respect of the financial year ended 30 June 2021 totalling $6.904 million; and

(b) Interim tax-exempt dividend of 0.75 cent per ordinary share in respect of the financial year ended 30 June 2022 totalling $3.452 million.

Subsequent to 30 June 2023, the directors of the company recommended that a final tax-exempt dividend be paid at 1.60 cent per ordinary share totalling $7.364 million for the financial year ended 30 June 2023. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

NOTES TO FINANCIAL STATEMENTS

30 June 2023

37 CONTINGENT LIABILITIES

	Company	
	2023	**2022**
	$'000	**$'000**
Corporate guarantee in relation to credit facilities granted to subsidiaries (Note 21)	30,108	23,360

38 COMMITMENTS

	Group and Company	
	2023	**2022**
	$'000	**$'000**
Commitment to purchase fixed quantum of copper from suppliers at market rate at date of delivery	30,965	80,556

39 OPERATING LEASE ARRANGEMENTS

Group as a lessee

At 30 June 2023, the group is committed to $666,000 (2022 : $483,000) for short-term leases.

Group as a lessor

Operating leases, in which the group is the lessor, relate to investment properties owned by the group with lease terms of 1 to 4 years, with 3 years extension option. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The unguaranteed residual values do not represent a significant risk for the group.

Maturity analysis of operating lease receivables:

	Group	
	2023	**2022**
	$'000	**$'000**
Within 1 year	354	328
Within 2 to 5 years	159	289
Total	513	617

NOTES TO **FINANCIAL STATEMENTS**

30 June 2023

40 ACQUISITION OF A SUBSIDIARY

On 1 July 2022, the group acquired 100% of the issued and fully paid-up share capital of Nishi Densen Sdn. Bhd. ("NSD") (previously known as Nishiden (Malaysia) Sdn. Bhd.) at a cash consideration of $870,000.

NSD is incorporated in Malaysia with its principal activities being fabricating of copper wiring, cables and other related parts.

Identifiable assets and liabilities at the date of acquisition

	Fair value $'000
Cash and bank balances	75
Trade and other receivables	421
Inventories	131
Property, plant and equipment	303
Trade and other payables	(139)
Lease liabilities	(20)
Deferred tax liabilities	(30)
Net assets	741

Goodwill arising on acquisition

	2023 $'000
Consideration transferred	870
Less: Fair value of identifiable net assets acquired	(741)
Goodwill arising on acquisition	129

Goodwill arose in acquisition pertains to consideration paid for NSD's know-how over the manufacture of branch cables.

None of the goodwill is expected to be deductible for tax purposes.

Net cash outflow on acquisition

	2023 $'000
Consideration paid in cash	870
Less: Cash and cash equivalent acquired	(75)
Net cashflows arising from acquisition of a subsidiary	795

NOTES TO FINANCIAL STATEMENTS

30 June 2023

41 SEGMENT INFORMATION

The group has the following five strategic units, which are its reportable segments. These units offer different products and services, and are managed separately because they sell different products or services and have their own marketing strategies. The group's CEO (the chief operating decision maker) reviews internal management reports of each unit at least quarterly. The following summary describes the operations in each of the group's reportable segments:

- *Cable & Wire*. Includes cable and wire manufacturing and dealing in such products.
- *Electrical Material Distribution*. Includes distribution of electrical products.
- *Test & Inspection*. Includes laboratories for tests, experiments and researches and provision of quality consultancy services.
- *Switchboard*. Includes manufacturing and dealing in electrical switchboards, feeders pillars and components.
- *Other*s. Investment holding.

Accordingly, the above are the group's reportable segments under SFRS(I) 8. No operating segments have been aggregated to form the above reportable operating segments. Information regarding the group's reportable segments is presented below. There is no change to amounts reported for the prior year as the segment information reported internally is provided to the group's chief operating decision maker on a similar basis.

NOTES TO
FINANCIAL STATEMENTS
30 June 2023

41 SEGMENT INFORMATION (CONT'D)

Segment revenue and results

	Cable & wire $'000	Electrical material distribution $'000	Test & inspection $'000	Switch-board $'000	Others $'000	Elimination $'000	Total $'000
2023							
REVENUE							
External sales	280,228	108,359	28,485	4,654	–	–	421,726
Inter-segment sales	1,639	838	8	–	–	(2,485)	–
Total revenue	281,867	109,197	28,493	4,654	–	(2,485)	421,726
RESULT							
Segment result	18,785	7,193	(3,402)	251	(42)	–	22,785
Interest expense	(1,538)	(167)	(441)	(8)	–	–	(2,154)
Interest income	228	3	31	–	–	–	262
Share of profit of associates	–	498	1	–	–	–	499
Income tax expense							(4,582)
Non-controlling interests							(136)
Profit attributable to shareholders of the company							16,674
2022							
REVENUE							
External sales	232,418	110,028	31,321	5,285	–	–	379,052
Inter-segment sales	1,861	1,007	24	–	–	(2,892)	–
Total revenue	234,279	111,035	31,345	5,285	–	(2,892)	379,052
RESULT							
Segment result	18,565	6,774	1,511	229	(2)	–	27,077
Interest expense	(534)	(133)	(370)	(10)	–	–	(1,047)
Interest income	154	–	16	–	–	–	170
Share of profit (loss) of associates	–	1,111	(30)	–	–	–	1,081
Income tax expense							(5,089)
Non-controlling interests							(186)
Profit attributable to shareholders of the company							22,006

Revenue reported above represents revenue generated from external customers. There were inter-segment sales of $2,485,000 (2022 : $2,892,000) during the year.

The accounting policies of the reportable segments are the same as the group's accounting policies described in Note 2. Segment profit represents profit earned by each segment without allocation of income tax expense and non-controlling interests. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

NOTES TO FINANCIAL STATEMENTS

30 June 2023

41 SEGMENT INFORMATION (CONT'D)

Segment assets and liabilities

	Cable & wire $'000	Electrical material distribution $'000	Test & inspection $'000	Switch-board $'000	Others $'000	Total $'000
2023						
Segment assets	190,732	63,521	30,428	3,897	37	288,615
Interest in associates	–	11,109	931	–	–	12,040
Unallocated segment assets						1,416
Consolidated total assets						302,071
Segment liabilities	58,748	20,586	11,680	436	19	91,469
Unallocated segment liabilities						3,847
Consolidated total liabilities						95,316
2022						
Segment assets	190,316	68,908	37,910	4,266	1,026	302,426
Interest in associates	–	10,473	930	–	–	11,403
Unallocated segment assets						1,880
Consolidated total assets						315,709
Segment liabilities	64,477	29,051	13,896	1,044	18	108,486
Unallocated segment liabilities						3,656
Consolidated total liabilities						112,142

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments other than deferred tax assets and tax recoverable. All liabilities are allocated to reportable segments other than deferred tax liabilities and tax payables.

NOTES TO
FINANCIAL STATEMENTS
30 June 2023

41 SEGMENT INFORMATION (CONT'D)

Other segment information

	Cable & wire $'000	Electrical material distribution $'000	Test & inspection $'000	Switch-board $'000	Others $'000	Total $'000
2023						
Additions to non-current assets	3,704	1,490	1,277	5	–	6,476
Depreciation and amortisation	2,836	1,173	2,718	81	–	6,808
Non-cash expenses (income) other than depreciation and amortisation	(7,057)	368	3,120	57	21	(3,491)
2022						
Additions to non-current assets	1,138	665	3,531	41	–	5,375
Depreciation and amortisation	2,804	928	2,724	82	–	6,538
Non-cash expenses (income) other than depreciation and amortisation	3,679	674	258	(24)	(10)	4,577

NOTES TO FINANCIAL STATEMENTS

30 June 2023

41 SEGMENT INFORMATION (CONT'D)

Geographical information

The group operates in six principal geographical areas - Singapore, Malaysia, Vietnam, Brunei, Indonesia and Cambodia.

The group's revenue from external customers and information about its segment assets (non-current assets excluding derivative financial instruments, investments in associates, other investments and deferred tax assets) by geographical location are detailed below:

	Revenue $'000	Non-current assets $'000
2023		
Singapore	320,316	37,506
Malaysia	68,455	8,159
Vietnam	13,203	2,347
Brunei	4,792	74
Indonesia	8,660	1,622
Cambodia	3,909	2,745
Others	2,391	–
	421,726	52,453
2022		
Singapore	291,592	37,805
Malaysia	53,729	8,524
Vietnam	13,863	1,869
Brunei	5,457	151
Indonesia	10,110	1,844
Cambodia	2,077	6,069
Others	2,224	–
	379,052	56,262

NOTES TO
FINANCIAL STATEMENTS
30 June 2023

42 STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I) pronouncements relevant to the group and company were issued but not effective:

Effective for financial year beginning on or after 1 January 2023

- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Effective for annual periods beginning on or after 1 January 2024

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*
- Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*
- Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*
- Amendments to SFRS(I) 1-7 and SFRS(I) 7: *Supplier Finance Arrangements*

Effective date is deferred indefinitely

- Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between Investor and its Associate or Joint Venture*

Management anticipates that the adoption of the above SFRS(I), SFRS(I) INT and amendments to SFRS(I)s in future periods will not have a material impact on the financial statements of the group and of the company in the period of their initial adoption.

ANALYSIS OF **SHAREHOLDINGS**

As at 21 September 2023

NUMBER OF ISSUED SHARES (INCLUDING TREASURY SHARES)	:	462,988,841
NUMBER OF ISSUED SHARES (EXCLUDING TREASURY SHARES)	:	460,261,841
NUMBER / PERCENTAGE OF TREASURY SHARES	:	2,727,000 (0.59%)
NUMBER / PERCENTAGE OF SUBSIDIARY HOLDINGS	:	Nil
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	1 VOTE PER SHARE

DISTRIBUTION OF SHAREHOLDINGS AS AT 21 SEPTEMBER 2023

Size of shareholdings	No. of shareholders	%	No. of shares	%
1 - 99	114	3.58	4,528	0.00
100 - 1,000	271	8.51	180,530	0.04
1,001 - 10,000	1,092	34.30	6,772,059	1.47
10,001 - 1,000,000	1,665	52.29	100,424,546	21.82
1,000,001 and above	42	1.32	352,880,178	76.67
Total:	**3,184**	**100.00**	**460,261,841**	**100.00**

TWENTY LARGEST SHAREHOLDERS AS AT 21 SEPTEMBER 2023

No.	Name of shareholders	No. of shares	%
1	LIM BOON HOCK BERNARD	76,144,941	16.54
2	LIM BOON CHIN BENJAMIN (LIN WENJIN BENJAMIN)	43,004,855	9.34
3	LIM CHYE HUAT @ BOBBY LIM CHYE HUAT	30,507,234	6.63
4	LIM BOON HOH BENEDICT (LIN WENHE, BENEDICT)	28,540,925	6.20
5	LIM CHAI LAI @ LOUIS LIM CHAI LAI	16,802,867	3.65
6	LIM LIAN HIONG	15,335,628	3.33
7	DBS NOMINEES PTE LTD	12,641,171	2.75
8	LIM HIANG LAN	12,174,738	2.65
9	LIM PHEK CHOO CONSTANCE	10,601,386	2.30
10	LIM LIAN ENG	8,919,850	1.94
11	CHEN LAWRENCE LI	7,090,001	1.54
12	AU AH YIAN	6,608,173	1.44
13	CHAN KUM LIN CAROLYN	6,301,471	1.37
14	CHIA AH HENG	6,000,000	1.30
15	GERALDINE CHENG HUA YONG	5,986,937	1.30
16	YEN TSUNG HUA	5,122,140	1.11
17	GERALD CHENG KAI YONG (ZHONG KAIYANG)	5,106,791	1.11
18	KHALID S/O FAIZ MOHAMED	5,038,501	1.09
19	PANG YOKE CHUN (PENG YUZHEN)	4,606,989	1.00
20	PHILLIP SECURITIES PTE LTD	4,529,065	0.98
		311,063,663	67.57

ANALYSIS OF **SHAREHOLDINGS**

FREE FLOAT OF EQUITY SECURITIES

Based on information available to the Company as at 21 September 2023, approximately 38.05% of the total number of issued ordinary shares (excluding treasury shares) of the Company were held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

SUBSTANTIAL SHAREHOLDERS AS AT 22 SEPTEMBER 2023

(As recorded in the Register of Substantial Shareholders)

	No. of Shares		
Name	**Shareholdings registered in the name of substantial shareholders**	**Shareholdings in which substantial shareholders are deemed to have an interest**	**Total interest**
Mr. Lim Boon Hock Bernard(1)	76,144,941	4,606,989	80,751,930
Mdm. Pang Yoke Chun(2)	4,606,989	76,144,941	80,751,930
Mr. Lim Boon Chin Benjamin	43,004,855	NIL	43,004,855
Mr. Lim Chye Huat @ Bobby Lim Chye Huat	30,642,934	NIL	30,642,934
Mr. Lim Boon Hoh, Benedict(3)	28,540,925	657,200	29,198,125
Mdm. Guah Li Mei, Joanna(4)	657,200	28,540,925	29,198,125
Mr. Lim Chai Lai @ Louis Lim Chai Lai(5)	16,802,867	6,301,471	23,104,338
Mdm. Chan Kum Lin(6)	6,301,471	16,802,867	23,104,338

Notes:

(1) Mr. Lim Boon Hock Bernard is deemed to have an interest in 4,606,989 shares held by his wife, Mdm. Pang Yoke Chun.
(2) Mdm. Pang Yoke Chun is deemed to have an interest in 76,144,941 shares held by her husband, Mr. Lim Boon Hock Bernard.
(3) Mr. Lim Boon Hoh, Benedict is deemed to have an interest in 657,200 shares held by his wife, Mdm. Guah Li Mei, Joanna.
(4) Mdm. Guah Li Mei, Joanna is deemed to have an interest in 28,540,925 shares held by her husband, Mr. Lim Boon Hoh, Benedict.
(5) Mr. Lim Chai Lai @ Louis Lim Chai Lai is deemed to have an interest in 6,301,471 shares held by his wife, Mdm. Chan Kum Lin.
(6) Mdm. Chan Kum Lin is deemed to have an interest in 16,802,867 shares held by her husband, Mr. Lim Chai Lai @ Louis Lim Chai Lai.

NOTICE OF
ANNUAL GENERAL MEETING

TAI SIN ELECTRIC LIMITED (Incorporated in the Republic of Singapore) (Company Registration No.: 198000057W)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Tai Sin Electric Limited (the "**Company**") will be held at Raffles Marina, Theatrette, Level 2, 10 Tuas West Drive, Singapore 638404 on Wednesday, 25 October 2023 at 10.00 a.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 30 June 2023 together with the Auditors' Report thereon.

   (Resolution 1)

2. To declare a final one-tier tax exempt dividend of S$0.016 per ordinary share for the financial year ended 30 June 2023.

   (Resolution 2)

3. To approve the payment of S$16,000 as Director's fees for the financial year ended 30 June 2023, payable to an Independent Non-Executive Director.
   [See Explanatory Note (i)] **(Resolution 3)**

4. To approve the payment of up to S$316,000 as Directors' fees for the financial year ending 30 June 2024, to be paid quarterly in arrears at the end of each calendar quarter (FY2023: up to S$266,000).
   [See Explanatory Note (ii)] **(Resolution 4)**

5. To re-elect the following Directors retiring by rotation under Article 91 of the Constitution of the Company:-

   (a) Mr. Lim Chye Huat @ Bobby Lim Chye Huat
   [See Explanatory Note (iii)] **(Resolution 5)**

   (b) Mr. Lee Fang Wen
   [See Explanatory Note (iv)] **(Resolution 6)**

6. To re-elect Ms. Seow Boon Teng, a Director retiring under Article 97 of the Constitution of the Company.
   [See Explanatory Note (v)] **(Resolution 7)**

7. To re-appoint Deloitte & Touche LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

   (Resolution 8)

8. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

NOTICE OF
ANNUAL GENERAL MEETING

TAI SIN ELECTRIC LIMITED (Incorporated in the Republic of Singapore) (Company Registration No.: 198000057W)

AS SPECIAL BUSINESS

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

9. **Authority to issue new shares and/or convertible instruments**

"That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:-

(a) (i) issue shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures 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 Instrument made or granted by the Directors of the Company while this Resolution was in force,

provided that:-

(i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company shall not exceed 20% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company (as calculated in accordance with sub-paragraph (ii) below);

(ii) (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 (i) above, the percentage of issued shares shall be based on the total number of issued shares excluding treasury shares and subsidiary holdings of the Company at the time this Resolution is passed, after adjusting for:-

(a) new shares arising from the conversion or exercise of any convertible securities or employee share options or vesting of share awards which were issued and outstanding or subsisting at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of shares;

NOTICE OF
ANNUAL GENERAL MEETING

TAI SIN ELECTRIC LIMITED (Incorporated in the Republic of Singapore) (Company Registration No.: 198000057W)

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(iv) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

[See Explanatory Note (vi)] **(Resolution 9)**

10. **Authority to allot and issue new shares pursuant to the Tai Sin Electric Limited Scrip Dividend Scheme**

"That authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of new ordinary shares in the capital of the Company as may be required to be allotted and issued pursuant to the Tai Sin Electric Limited Scrip Dividend Scheme, on such terms and conditions as may be determined by the Directors of the Company and to do all acts and things which they may in their absolute discretion deem necessary or desirable to carry the same into effect."

[See Explanatory Note (vii)] **(Resolution 10)**

BY ORDER OF THE BOARD

Hazel Chia Luang Chew
Juliana Tan Beng Hwee
Company Secretaries

Singapore, 9 October 2023

NOTICE OF
ANNUAL GENERAL MEETING

TAI SIN ELECTRIC LIMITED (Incorporated in the Republic of Singapore) (Company Registration No.: 198000057W)

Explanatory Notes:

(i) Ordinary Resolution 3 is to seek approval for the payment of S$16,000 as Director's fees for the period from 1 January 2023 to 30 June 2023 in respect of the financial year ended 30 June 2023, payable to Ms. Seow Boon Teng ("**Ms. Seow**") who was appointed as Independent Non-Executive Director of the Company on 1 January 2023.

(ii) Ordinary Resolution 4 is to facilitate payment of Directors' fees to Non-Executive Directors on a continuing "as-earned" current year basis, for the financial year ending 30 June 2024 ("**FY 2024**").

If approved, payment of Directors' fees to the Non-Executive Directors will be pro-rated or apportioned accordingly and made on or after the last day of each quarter in FY 2024 in respect of the period then ended. If, for unforeseen reasons, payments are required to be made to Directors in excess of the amount proposed in Ordinary Resolution 4, the Company will revert to shareholders for approval at the next Annual General Meeting before any such payments are made.

(iii) Mr. Lim Chye Huat @ Bobby Lim Chye Huat ("**Mr. Lim**"), upon re-election as a Director of the Company, will remain as Chairman of the Board of Directors ("**Board**") and a member of the Audit and Risk Committee, the Nominating Committee and the Remuneration Committee. Mr. Lim is a substantial shareholder of the Company. Save as disclosed in the Company's Annual Report for the financial year ended 30 June 2023 ("**Annual Report**"), there are no relationships (including immediate family relationships) between Mr. Lim and the other Directors, the other substantial shareholders of the Company or the Company. The Board considers Mr. Lim to be non-independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

(iv) Mr. Lee Fang Wen ("**Mr. Lee**"), upon re-election as a Director of the Company, will remain as Chairman of the Remuneration Committee and a member of the Audit and Risk Committee and the Nominating Committee. There are no relationships (including immediate family relationships) between Mr. Lee and the other Directors, the substantial shareholders of the Company or the Company. The Board considers Mr. Lee to be independent for the purposes of Rule 210(5)(d) and Rule 704(8) of the Listing Manual of the SGX-ST.

(v) Ms. Seow, upon re-election as a Director of the Company, will remain as a member of the Audit and Risk Committee, the Nominating Committee and the Remuneration Committee. There are no relationships (including immediate family relationships) between Ms. Seow and the other Directors, the substantial shareholders of the Company or the Company. The Board considers Ms. Seow to be independent for the purposes of Rule 210(5)(d) and Rule 704(8) of the Listing Manual of the SGX-ST.

Note: *Information on the Directors who are proposed to be re-elected can be found under the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-election" in the Company's Annual Report.*

(vi) Ordinary Resolution 9, if passed, will empower the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue new shares and to make or grant instruments convertible into shares in the Company subject to the limits imposed by the Resolution, for such purposes as they consider would be in the interests of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

(vii) Ordinary Resolution 10, if passed, will authorise the Directors of the Company to allot and issue such number of new ordinary shares in the capital of the Company as may be required to be issued pursuant to the Tai Sin Electric Limited Scrip Dividend Scheme principally to shareholders of the Company who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend. This authority, unless revoked or varied at a general meeting, will continue until the conclusion of the next Annual General Meeting of the Company.

NOTICE OF ANNUAL GENERAL MEETING

TAI SIN ELECTRIC LIMITED (Incorporated in the Republic of Singapore) (Company Registration No.: 198000057W)

Important Notes:

(A) The Annual General Meeting ("**AGM**") is being convened, and will be held physically, at Raffles Marina, Theatrette, Level 2, 10 Tuas West Drive, Singapore 638404 on Wednesday, 25 October 2023 at 10.00 a.m.. **There will be no option for shareholders to attend the AGM virtually**.

(B) The Annual Report for the financial year ended 30 June 2023 (which includes the Notice of AGM and Proxy Form) ("**Annual Report**") can be assessed from SGXNet at the URL https://www.sgx.com/securities/company-announcements ("**SGXNet**") and the Company's AGM website at the URL https://www.taisinelectric.com/agm ("**Company's AGM website**"). Printed copies of the Annual Report will also be sent by post to members of the Company ("**Members**" or "**Shareholders**").

(C) Each of the resolutions to be put to vote at the AGM (and at any adjournment thereof) will be voted on by way of a poll.

(D) (i) 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 appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Member's instrument appointing a proxy or proxies ("**Proxy Form**").

(ii) 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 appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the Member's Proxy Form.

(iii) "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

(iv) A Member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

(E) A proxy need not be a Member. The Chairman of the Meeting, as proxy, need not be a Member.

(F) The Proxy Form, duly completed and signed, must be submitted to the Company no later than **10.00 a.m. on Monday, 23 October 2023**, being not less than 48 hours before the time appointed for holding the AGM, in the following manner:

(i) if submitted personally or by post, be lodged at the registered office of the Company at 24 Gul Crescent, Singapore 629531; or

(ii) if submitted electronically, a scanned PDF copy be sent via email to the Company at agm@taisin.com.sg.

failing which the Proxy Form may be treated as invalid.

A Shareholder who wishes to submit a Proxy Form can either use the printed copy of the Proxy Form in the Annual Report which was sent to him/her/it by post or download a copy of the Proxy Form from the Company's AGM website or SGXNet.

A Proxy Form must be executed under the hand of the appointor or of his/her/its attorney duly authorised in writing. If the appointor is a corporation, the Proxy Form must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

(G) Completion and return of the Proxy Form by a Member will not preclude him/her from attending, speaking and voting at the AGM (or at any adjournment thereof) if he/she subsequently wishes to do so. The appointment of the proxy(ies) for the AGM will 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.

(H) CPF/SRS investors who hold the Company's shares through CPF Agent Banks/SRS Operators:

(i) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies; or

(ii) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, and in which case they should approach their CPF Agent Banks/SRS Operators to submit their votes by **10.00 a.m. on 16 October 2023**, being at least seven (7) working days before the date of the AGM.

NOTICE OF
ANNUAL GENERAL MEETING

TAI SIN ELECTRIC LIMITED (Incorporated in the Republic of Singapore) (Company Registration No.: 198000057W)

(I) Investors who hold the Company's shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), other than CPF/SRS investors, and who wish to attend/vote at the AGM should approach their relevant intermediaries as soon as possible in order for the necessary arrangements to be made to attend the AGM and/or submit their votes.

(J) Submission of questions

Shareholders or their appointed proxies (other than Chairman of the Meeting) may speak and raise questions at the AGM.

Shareholders, including investors holding shares through relevant intermediaries and CPF/SRS investors, may also submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM, in the following manner:

(i) via email to agm@taisin.com.sg; or

(ii) by post and be deposited at the registered office of the Company at 24 Gul Crescent, Singapore 629531.

Shareholders who are submitting questions must provide the following information: (a) the Shareholder's full name; (b) the Shareholder's identification/registration number; and (c) the manner in which the Shareholder holds the share(s) in the Company (e.g. via CDP, scrip, CPF or SRS), for verification purposes, failing which the submission will be treated as invalid.

All questions submitted in advance of the AGM must be received by **5.00 p.m. on 16 October 2023** (the "**Submission Deadline**").

The Company will endeavour to respond to all substantial and relevant questions received from Shareholders (including investors holding shares through relevant intermediaries and CPF/SRS investors) by the Submission Deadline by publishing its responses to such questions on SGXNet and on the Company's AGM website by 19 October 2023. Substantially similar questions received will be consolidated and consequently, not all questions may be individually addressed.

Personal Data Privacy:

By (a) submitting an instrument appointing the Chairman of the Meeting or any other persons as proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting any question prior to the AGM in accordance with this Notice of AGM, a Member (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 processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof), preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof) and addressing substantial and relevant questions related to the resolutions to be tabled for approval at the AGM received from Members before the AGM and/or at the AGM and if necessary, following up with the relevant Members in relation to such questions, and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities (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 to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Member's breach of warranty. In addition, by attending the AGM and/or any adjournment thereof, a Member consents to the collection, use and disclosure of the Member's personal data by the Company (or its agents or service providers) for any of the Purposes.

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

Name	Mr. Lim Chye Huat @ Bobby Lim Chye Huat	Mr. Lee Fang Wen	Ms. Seow Boon Teng
Date of appointment	8 May 1997	1 July 2015	1 January 2023
Date of last re-election/~~re-appointment~~ (if applicable)	31 October 2022	29 October 2021	Not Applicable
Age	78	62	50
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this re-election/~~appointment~~ (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, experience, expertise, knowledge, skills, performance and contribution of Mr. Lim Chye Huat @ Bobby Lim Chye Huat. He has been instrumental in leading the Group to profitability and growth since 1997. The management of the Company continues to seek his advice and tap on his extensive industry experience and business acumen when critical strategic decisions are made. In addition, the Board is of the view that there is sufficient diversity in skills, experience and knowledge of the Company in its current Board composition to maximise effectiveness in the oversight of the Group's business and operations. The Board has reviewed and concluded that Mr. Lim Chye Huat @ Bobby Lim Chye Huat is well qualified and suitable for re-election as a Director of the Company.	The Board has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, experience, expertise, knowledge, skills, performance, contribution and independence of Mr. Lee Fang Wen. His engineering background with experience of setting up businesses and spearheading business development, complements and enhances the Board's collective skills and experience. In addition, the Board is of the view that there is sufficient diversity in skills, experience and knowledge of the Company in its current Board composition to maximise effectiveness in the oversight of the Group's business and operations. The Board has reviewed and concluded that Mr. Lee Fang Wen is well qualified and suitable for re-election as a Director of the Company.	The Board has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, experience, expertise, knowledge and skills, performance, contribution and independence of Ms. Seow Boon Teng. Her experience in running a manufacturing business across Asia providing design and manufacturing solutions for industrial and consumer products enhances the Board's collective skills and experience. In addition, the Board is of the view that there is sufficient diversity in skills, experience and knowledge of the Company in its current Board composition to maximise effectiveness in the oversight of the Group's business and operations. The Board has reviewed and concluded that Ms. Seow Boon Teng is well qualified and suitable for re-election as a Director of the Company.

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

Name	Mr. Lim Chye Huat @ Bobby Lim Chye Huat	Mr. Lee Fang Wen	Ms. Seow Boon Teng
Whether appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive	Non-executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Non-Executive Director and Chairman of the Board • Audit and Risk Committee Member • Nominating Committee Member • Remuneration Committee Member	• Independent Director • Audit and Risk Committee Member • Nominating Committee Member • Remuneration Committee Chairman	• Independent Director • Audit and Risk Committee Member • Nominating Committee Member • Remuneration Committee Member
Professional qualifications	Refer to section on Board of Directors of this Annual Report for details		
Working experience and occupation(s) during the past 10 years	• Managing Director of Tai Sin Electric Limited from October 1997 to July 2013 • Executive Director of Tai Sin Electric Limited from July 2013 to June 2016	• Executive Director of Creative Master Bermuda Limited (April 2013 - December 2014)	• Group Executive Director of Watson EP Industries Pte Ltd (2014 – present) • Group Business Development Director of Watson EP Industries Pte Ltd (2009 – 2014)
Shareholding interest in the listed issuer and its subsidiaries	• Direct interest in 30,642,934 shares of Tai Sin Electric Limited.	None	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	• Mr. Lim Chai Lai @ Louis Lim Chai Lai - Brother • Mdm. Chan Kum Lin - Sister-in-law • Mr Chia Ah Heng - Brother-in-law • Mr. Lim Boon Hock Bernard - Son • Mdm. Pang Yoke Chun - Daughter-in-law • Mr. Lim Boon Chin Benjamin - Son • Mr. Lim Boon Hoh, Benedict - Son • Mdm. Guah Li Mei, Joanna - Daughter-in-law	None	None
Conflict of interest (including any competing business)	None	None	None

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

Name	Mr. Lim Chye Huat @ Bobby Lim Chye Huat	Mr. Lee Fang Wen	Ms. Seow Boon Teng
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 720(1))	Yes	Yes	Yes
Other principal commitments including directorships - Past (for the last five years)	• Lim Kim Hai Electric Co (S) Pte Ltd • Tai Sin Electric Cables (Malaysia) Sdn Bhd • Tai Sin (Vietnam) Pte Ltd • LKH Precicon Pte Ltd • Numoni Pte Ltd • P-Parking International Pte Ltd • Former Chairman of National St John Council • Former Chairman and Supervisor of The LightHouse School (Singapore School for The Visually Handicapped)	• Asiatic Group (Holdings) Limited – Non-Executive Director	Nil
Other principal commitments including directorships – Present	• Cadi Scientific Pte Ltd • Heating Equipment Pte Ltd • Hubline Berhad • Advisor of National St John Council • Patron of Toa Payoh East - Novena Citizens' Consultative Committee	• Sincap Group Limited - Independent Director	• Watson EP Industries Pte Ltd – Executive Director
(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/her or against a partnership of which he/she was a partner at the time when he/she was a partner or at any time within 2 years from the date he/she ceased to be a partner?	No	No	No

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

Name	Mr. Lim Chye Huat @ Bobby Lim Chye Huat	Mr. Lee Fang Wen	Ms. Seow Boon Teng
(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/she was a director or an equivalent person or a key executive, at the time when he/she 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/she ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him/her?	No	No	No
(d) Whether he/she 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/she is aware) for such purpose?	No	No	No
(e) Whether he/she 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/she is aware) for such breach?	No	No	No

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

Name	Mr. Lim Chye Huat @ Bobby Lim Chye Huat	Mr. Lee Fang Wen	Ms. Seow Boon Teng
(f) Whether at any time during the last 10 years, judgment has been entered against him/her 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/her part, or he/she has been the subject of any civil proceedings (including any pending civil proceedings of which he/she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his/her part?	No	No	No
(g) Whether he/she has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he/she has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he/she has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him/her from engaging in any type of business practice or activity?	No	No	No

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

Name	Mr. Lim Chye Huat @ Bobby Lim Chye Huat	Mr. Lee Fang Wen	Ms. Seow Boon Teng
(j) Whether he/she has ever, to his/her 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 ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he/she was so concerned with the entity or business trust?	No	No	No
(k) Whether he/she has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

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TAI SIN ELECTRIC LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 198000057W)

IMPORTANT:
1. A relevant intermediary (as defined in Section 181 of the Companies Act 1967) is entitled to appoint more than two (2) proxies to attend, speak and vote at the Annual General Meeting ("**AGM**").
2. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by investors holding shares through relevant intermediaries (including CPF/SRS investors). CPF/SRS investors:
   (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies; or
   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, and in which case they should approach their CPF Agent Banks/SRS Operators to submit their votes by **10.00 a.m. on 16 October 2023**, being at least seven (7) working days before the date of the AGM.

ANNUAL GENERAL MEETING

PROXY FORM

(Please read notes overleaf before completing this form)

I/We, ______________________ (Name) ______________________ (NRIC / Passport / Company Registration No.)
of ____ (Address)
being a Member/Members of **TAI SIN ELECTRIC LIMITED** (the "**Company**") hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of shareholdings represented	
			No. of Shares	%

and/or (delete as appropriate)

or failing him/her, the Chairman of the Meeting, as my/our proxy/proxies, to attend, speak and vote for me/us on my/our behalf, at the Annual General Meeting ("**AGM**" or the "**Meeting**") of the Company to be held at Raffles Marina, Theatrette, Level 2, 10 Tuas West Drive, Singapore 638404 on Wednesday, 25 October 2023 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against, or to abstain from voting on, the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

(Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes "For" or "Against", or "Abstain" from voting on, the relevant resolution, please tick [✓] within the relevant box provided below. Alternatively, if you wish your proxy/proxies to cast your votes both "For" and "Against" the relevant resolution, please indicate the number of shares in the relevant boxes provided below.)

No.	Resolutions relating to:	Number of Votes For	Number of Votes Against	Abstain
Ordinary Business				
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2023 and the Auditors' Report thereon			
2	Payment of proposed final dividend			
3	Approval of Director's fees of S$16,000 for the financial year ended 30 June 2023, payable to an Independent Non-Executive Director			
4	Approval of Directors' fees of up to S$316,000 for the financial year ending 30 June 2024, to be paid quarterly in arrears at the end of each calendar quarter			
5	Re-election of Mr. Lim Chye Huat @ Bobby Lim Chye Huat as a Director			
6	Re-election of Mr. Lee Fang Wen as a Director			
7	Re-election of Ms. Seow Boon Teng as a Director			
8	Re-appointment of Deloitte & Touche LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration			
Special Business				
9	Authority to issue new shares and/or convertible instruments			
10	Authority to allot and issue new shares pursuant to the Tai Sin Electric Limited Scrip Dividend Scheme			

Dated this ________ day of__________ 2023

Total Number of Shares held

____
Signature or Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this instrument appointing a proxy or proxies ("**Proxy Form**") will be deemed to relate to all the shares held by you.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form.

   (b) 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 appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

3. A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

4. A proxy need not be a member of the Company. The Chairman of the Meeting, as proxy, need not be a member of the Company.

5. The Proxy Form, duly completed and signed, must be submitted to the Company no later than **10.00 a.m. on Monday, 23 October 2023**, being not less than 48 hours before the time appointed for holding the AGM, in the following manner:

   (i) if submitted personally or by post, be lodged at the registered office of the Company at 24 Gul Crescent, Singapore 629531; or

   (ii) if submitted electronically, a scanned PDF copy be sent via email to the Company at agm@taisin.com.sg,

   failing which the Proxy Form may be treated as invalid.

6. The Proxy Form must be executed under the hand of the appointor or of his/her/its attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967.

9. Any alterations made in this Proxy Form should be initialled by the member/person signing it.

10. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible, or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the Proxy Form (including any related attachment). In addition, in the case of members whose shares are entered in the Depository Register, the Company may reject any Proxy Form lodged or submitted if the member, being the appointer, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time set for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

11. Completion and return of the Proxy Form by a member will not preclude him/her from attending, speaking and voting at the AGM (or at any adjournment thereof) if he/she subsequently wishes to do so. The appointment of the proxy(ies) for the AGM will 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.

Personal data privacy

By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 9 October 2023.

CORPORATE **DIRECTORY**

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