ellipsiz

forward solutions

ANNUAL REPORT 2024

CORPORATE INFORMATION

BOARD OF DIRECTORS

David Ong Kim Huat
(Chairman and Independent Director)
Kenneth Ho Siew Keong
(Executive Director)
Appointed on 1 August 2024
Amos Leong Hong Kiat
(Independent Director)
Clement Leow Wee Kia
(Independent Director)
Iris Wu Hwee Tan
(Non-Independent Non-Executive Director)
Adrian Lum Wen-Hong
(Non-Independent Non-Executive Director)

AUDIT AND RISK COMMITTEE

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

NOMINATING COMMITTEE

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

REMUNERATION COMMITTEE

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

COMPANY SECRETARY

Lim Poh Yeow
Appointed on 8 January 2024

COMPANY REGISTRATION NO.

199408329R

REGISTERED OFFICE

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

SHARE REGISTRAR

B.A.C.S. Private Limited
77 Robinson Road
#06-03 Robinson 77, Singapore 068896

AUDITOR

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

PRINCIPAL BANKERS

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

CONTENTS

VISION

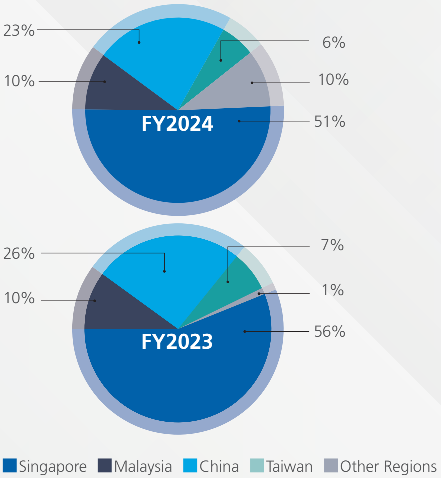
We aim to be the best creator of value for our customers, business partners and stakeholders in markets that we participate in

MISSION

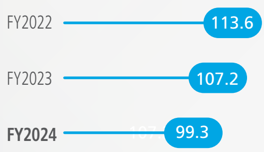
To enable our customers and business partners to achieve their goals optimally, we offer innovative and integrated solutions

FINANCIAL HIGHLIGHTS

REVENUE BY REGION



SHAREHOLDERS' EQUITY ($ MILLION)



TOTAL DIVIDEND PAYOUT (CENT)

	2024 $' mil	2023 $' mil
RESULTS		
Revenue	55.1	59.1
Gross profit	11.6	11.7
(Loss)/Profit for the year	(5.5)	0.7
Final dividend per share (cent)	1.00[1]	1.00
FINANCIAL POSITION		
Total assets	126.0	140.5
Total liabilities	16.2	20.8
Shareholders' equity	99.3	107.2
FINANCIAL RATIOS		
Gross profit margin (%)	21.0	19.7
(Loss)/Earnings per share (cents)	(2.31)	1.23
NAV per share (cents)	59.74	64.47
Return on equity (%)	(3.9)	1.9
Current ratio (times)	4.6	3.8

[1] Final dividend per share is subject to shareholders' approval at the Annual General Meeting to be held on 22 October 2024.

LETTER TO SHAREHOLDERS

DEAR SHAREHOLDERS

FY2024 presented considerable challenges for the Group across our business segments.

The semiconductor market downturn from 2023 continued to impact key regions including Singapore, China, Taiwan, and Malaysia where our DSS division operates. The decline in demand for our products and services of this division was further exacerbated by delivery disruptions caused by the Red Sea crisis. While strategic adjustments were implemented to enhance supply chain resilience, such external factors limited our ability to fully mitigate the impact. Despite these challenges, we remain committed to defending and growing our core semiconductor-related business. We will also explore opportunities to expand our product and service offerings and venture into new markets to enhance future growth.

As updated in our announcements released via SGXNet, we are experiencing delays in the development of Singapore's fourth egg farm due to the impact of supply chain disruptions, inflationary pressures, and increased biosecurity requirements. These factors have led to higher development costs and added complexities in project execution.

In response to these challenges, we have been actively engaging with the Singapore Food Agency (SFA) to secure more funding, allocate more land for biosecurity needs and extend our leases. We are also in discussions to adjust development plans and timelines. Our goal is to mitigate these challenges, ensuring that the egg farm will remain sustainable and viable while creating additional income streams for the Group. This move is timely as it will allow us to broaden our operations and reduce concentration of risks in the semiconductor and electronics industries.

YEAR IN REVIEW

Group revenue of $55.1 million in FY2024 was $4.0 million lower than the last financial year ("FY2023"). The decrease was mainly due to lower sales of equipment and consumables of the DSS division. Sales for both its Singapore and overseas operations had all declined due to the downturn of the global semiconductor market.

The decline in the Group's results from a net profit before tax of $1.1 million in FY2023 to a net loss of $5.1 million in FY2024 was mainly due to impairment losses on goodwill and intangible assets across two subsidiary companies. One key contributor to this significant decline was the $4.2 million impairment loss on goodwill on the investment in ISE Foods Holdings Pte Ltd, the subsidiary company developing the egg farm. This impairment was necessary because the recoverable amount, based on the discounted cash flow projections of the egg farm project, was lower than the carrying amount reflecting a substantial increase in development costs. Additionally, the Group recognised a $0.5 million impairment on the intangible assets of another subsidiary company, Axis-Tec Pte Ltd ("ATPL"), in the second half of FY2024. This is in addition to the $1.6 million goodwill impairment recorded for this subsidiary in the first half of FY2024. These adjustments were necessary because the carrying amount of ATPL's net assets exceeded its recoverable amount, reflecting the underperformance of ATPL.

On a more positive note, the DSS segment remained profitable, albeit with a reduced profit, and demonstrated resilience in the last quarter of FY2024. This performance reinforces our confidence in our strategy and affirms that the Group is well-positioned for future success when market conditions become more favourable.

LETTER TO SHAREHOLDERS

LOOKING AHEAD

The outlook for the current financial year ("FY2025") presents both opportunities and uncertainties. The World Semiconductor Trade Statistics has revised its forecast for 2024, indicating stronger performance in the global semiconductor market, particularly in the computing end-market with double-digit increases for logic and memory sectors. Significant growth is projected for the Americas and Asia Pacific regions. Similarly, SEMI's recent report forecasts an increase in worldwide wafer production capacity.

While the semiconductor industry outlook for FY2025 is positive, potential dampening effects could arise from ongoing geopolitical tensions, including those between China and the USA, as well as the Russia-Ukraine conflict and issues in the Middle East.

We will remain vigilant, closely monitoring market conditions and the business environment to proactively address challenges. By building on our strong fundamentals, we aim to capitalise on suitable opportunities as they emerge.

For our egg farm project, we will carefully assess the current challenges before determining the next course of action. Considering the importance of ongoing discussions with the SFA, resolving these issues will require considerable time and effort. This may include a re-evaluation of the project's viability. We will keep shareholders informed as significant developments arise.

SUSTAINABILITY JOURNEY

The Group has been on its sustainability journey since financial year ended 30 June 2018, implementing initiatives to reduce our carbon footprint, enhancing resource efficiency, and promoting social responsibility. Progress is made through the adoption of market best practices and regular assessments, as well as ensuring that our efforts align with evolving sustainability reporting standards.

In line with the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations as required by the Singapore Exchange, we had disclosed Scope 1, 2, and selected categories of Scope 3 greenhouse gas emissions in the Sustainability Report. Further enhancements were made to the Group's sustainability reporting policy, intended to improve our disclosure practices and better reflect our commitment to addressing climate-related risks and opportunities.

The rise in global temperatures and extreme weather events has heightened awareness of the dangers posed by climate change, prompting an urgent call for collective action towards decarbonisation. In response, we have developed and published our inaugural climate change transition plan to guide our efforts in this area. Additionally, we performed a qualitative scenario analysis to evaluate the effects of significant climate-related risks outlined in our climate risk assessment and to identify mitigating measures to address these risks.

The Group is dedicated to creating a safe and improved work environment for employees. We are also committed to our role as a responsible corporate citizen by supporting worthy charitable causes and encouraging employee participation in these initiatives.

LETTER TO SHAREHOLDERS

The Board firmly believes that maintaining robust governance and prudent risk management is crucial for the long-term sustainability of our business. We exercise caution in managing our cash flows and are leveraging the high-interest rate environment to fund certain parts of the Group’s expenditures.

Moving forward, we strive to create long-term value for all our stakeholders. Our dedication to sustainability and responsible management will guide us in overcoming current challenges and achieving sustainable growth.

DIVIDEND

Notwithstanding the Group's challenging results for FY2024, the Company remains committed to maintaining its dividend payout as a gesture of appreciation to our shareholders for their continued support. Accordingly, the Board has recommended a final dividend of 1 cent per share, subject to shareholders’ approval at the forthcoming Annual General Meeting in October 2024.

BOARD CHANGES AND RENEWAL

On behalf of the Board and management, we would like to express our heartfelt gratitude to Mr Kelvin Lum Wen-Sum, who stepped down as Chief Executive Officer and Executive Director on 13 September 2024. His leadership, guidance and contributions have been invaluable to the Group. We also warmly welcome Mr Kenneth Ho Siew Keong as Executive Director to the Board and look forward to working with him.

We would also like to record our appreciation to Mr Amos Leong Hong Kiat and Mr Clement Leow Wee Kia, who will be retiring from the Board at the conclusion of the upcoming Annual General Meeting in October 2024. Both Mr Leong and Mr Leow have provided valuable insights, drawing on their extensive experience in the semiconductor industry and corporate finance. We wish them all the best in their future endeavours.

The Company will appoint suitable replacements for these retiring directors and will make further announcements once their appointments are finalised.

NOTE OF APPRECIATION

As we conclude, we wish to express our sincere gratitude to our shareholders, customers, business partners and principals for their unwavering support. To our management and staff, a heartfelt thank you for your hard work. Your commitment and dedication have been instrumental in helping us navigate these challenging times. I would also like to extend my deep appreciation to my fellow Board members for their valuable guidance and steadfast commitment.

Together, we will remain focus on addressing the challenges ahead and building a more robust and progressive future for the Group.

DAVID ONG KIM HUAT
Chairman and Independent Director
23 September 2024

BOARD OF DIRECTORS

DAVID ONG KIM HUAT
Chairman and Independent Director

Date of last election
25 October 2022

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

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

Mr Ong began his professional career in 1989 and held senior marketing positions in various international companies, including American Express, Visa International, Reed Elsevier and Publicis. Mr Ong is the Managing Director of Reddot Media Inc Pte Ltd, a tourism media company he founded in 1998.

He also serves as a Non-Executive Independent Director of New Toyo International Holdings Ltd, Hiap Seng Industries Ltd and Katrina Group Ltd. He was formerly a Member of Parliament of Singapore. He was awarded the Public Service Medal and Public Service Star in 2005 and 2009 respectively.

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

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

- New Toyo International Holdings Ltd
- Hiap Seng Industries Ltd
- Katrina Group Ltd

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

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

BOARD OF DIRECTORS

KENNETH HO SIEW KEONG
Executive Director

Date of last election
Not applicable

Board Committee
Nil

Mr Kenneth Ho was appointed Executive Director of the Company on 1 August 2024 and is also a member of the Company's management committee. He is responsible for formulating and implementing the overall business and corporate strategies for the Group while overseeing its management and day-to-day operations. Mr Ho will also cultivate strategic partnerships and alliances to drive business growth and sustainability.

Prior to joining Ellipsiz, he was Head of Vietnam and China with Chip Eng Seng Corporation, where he spearheaded the development and operations of the two markets. He has more than 20 years of experience in management positions overseeing business development and operations in overseas markets, particularly China and the emerging markets of Indochina. His earlier career includes various senior positions at UOL Group, Bankside Capital Pte Ltd, Delgro Corporation Ltd, Transil Corporation Pte Ltd, UPP Holdings Ltd and the former LCD Global Investments Ltd.

Mr Ho graduated from York University with a Bachelor of Arts (Honours) in Economics and Political Science.

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

Nil

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

– Lum Chang Holdings Limited

BOARD OF DIRECTORS

AMOS LEONG HONG KIAT
Independent Director

Date of last election
22 October 2021

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

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

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

From 2018 to 2023, Mr Leong has served in the Singapore Future Economy Council and its Emerging Stronger Taskforce. He was a member of the Board of Directors for Enterprise Singapore, and he is currently the Chairman of the Singapore Accreditation Council. For the Ministry of Education, Mr Leong is in the External Review Panel for Singapore autonomous universities and a member of Singapore Polytechnic Board of Governors.

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

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

Nil

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

Nil

BOARD OF DIRECTORS

CLEMENT LEOW WEE KIA
Independent Director

Date of last election
25 October 2022

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

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

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

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

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

– Lum Chang Holdings Limited

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

– Allied Technologies Limited
– Overseas Education Limited
– MSM International Limited

BOARD OF DIRECTORS

IRIS WU HWEE TAN

Non-Independent
Non-Executive Director

Date of last election
24 October 2023

Board Committee
Audit and Risk Committee (Member)

Ms Iris Wu was appointed as a Non-Independent Non-Executive Director of the Company on 8 January 2018. She was engaged by the Company as a consultant and has been providing consultancy services on corporate matters to the Group since February 2018. In addition to her consultancy role, she is also a member of the Company's management committee.

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

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

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

Nil

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

Nil

BOARD OF DIRECTORS

ADRIAN LUM WEN-HONG
Non-Independent
Non-Executive Director

Date of last election
24 October 2023

Board Committee
Nil

Mr Adrian Lum was appointed as a Non-Independent Non-Executive Director of the Company on 8 January 2018. He is a member of the Company's management committee.

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

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

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

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

– Lum Chang Holdings Limited *(Alternate Director)*

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

Nil

KEY MANAGEMENT

LIM POH YEOW
Chief Financial Officer
Corporate Office

Mr Lim was appointed the Chief Financial Officer ("CFO") of Ellipsiz Ltd on 8 January 2024. He is responsible for the finance function including accounting, taxation, audit, treasury, compliance, legal and corporate secretarial functions of the Group. He has over 27 years of experience in the areas of finance and management reporting, taxation, compliance, risk management and equity fund-raising activities.

Before joining Ellipsiz Ltd, Mr Lim served as CFO of Chian Teck Development Pte Ltd and Chian Teck Realty Pte Ltd from September 2023 to December 2023. Prior to that, he held the position of CFO at Leader Environmental Technologies Limited, an environmental company listed on the mainboard of Singapore Exchange Securities Trading Limited, from May 2008 to September 2023. His other accounting and audit experiences include the appointments as CFO of Xinde Food Holdings from May 2005 to January 2008, Financial Controller of Sinogas Pte Ltd from July 2004 to April 2005, an accountant of Arrow Electronics Asia (S) Pte Ltd from July 2000 to July 2004, and an auditor with CY Ng & Co from September 1995 to March 1996; Teo Eng Tian & Co from March 1996 to October 1996; and Ernst & Young LLP from November 1996 to July 2000.

Mr Lim holds a professional qualification from the Association of Chartered Certified Accountants ("ACCA"), and is currently a fellow member of the ACCA, as well as an associate member of the Institute of Singapore Chartered Accountants.

KEY MANAGEMENT

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

TONY GUNG KWUN YUAN
President Distribution and Services Solutions

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

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

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

Mr Gung joined the Group as President, Distribution & Services Solutions ("DSS") on 3 February 2020. He oversees the strategic and operational functions of the DSS division of the Group. Mr Gung was previously Vice President of the Group's DSS division in China and Taiwan as well as General Manager of the Group's probe card solutions division in Taiwan, prior to the Group's divestment of its probe card business in 2017. Following the divestment, Mr Gung joined SV Probe Technology Taiwan Co., Ltd as General Manager and Vice President.

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

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

OPERATIONS REVIEW

DISTRIBUTION AND SERVICES SOLUTIONS ("DSS")

Our DSS division focuses on distributing a wide range of manufacturing, testing, and inspection/measurement tools and provides engineering and service-oriented solutions to the semiconductor and electronics manufacturing industries.

SELA MC20

Given that our Group's financial year ends on 30 June, the Group may stand to benefit from this projected recovery and capitalise on the positive trend.

During the financial year ended 30 June 2024, DSS achieved revenue of $49.8 million and operating profit of $2.1 million compared to $56.1 million and $3.2 million respectively in the preceding financial year. Despite the decline in performance, the Group continues to make notable progress in its business development and sales initiatives in Southeast Asia. This region is attracting interest from Chinese companies, which are increasingly looking to establish production facilities in countries such as Singapore, Malaysia, and Vietnam. This growing interest gives rise to opportunities for our Group to expand its DSS business

According to the World Semiconductor Trade Statistics report, the global semiconductor market is expected to recover in 2024, with a projected growth rate of 16%, indicating a positive turnaround from 2023.

SEMI's projections for 2024 predict a significant rebound in global sales of semiconductor manufacturing equipment, with sales expected to reach approximately US$109.5 billion. This recovery is anticipated to be driven by both front-end and back-end equipment segments. The wafer fab equipment segment, which includes wafer processing and mask/reticle equipment, is projected to grow to US$98.3 billion in 2024.

KingSemi S150
Wafer Stripper

OPERATIONS REVIEW

by broadening its product range through collaborations with Chinese equipment suppliers. Our team has initiated work in this respect and are optimistic in achieving some positive outcome.

AUTOMATED PRECISION SYSTEM SOLUTIONS ("APSS")

APSS specialises in providing customised systems and solutions for test automation, high precision automated assembly processes for fibre and lens, and fully automated wafer level testing for the semiconductor and electronics manufacturing industries. Alongside its core offerings, APSS is developing a portfolio of standard products under its own brand and collaborates with DSS in the distribution, leveraging their respective strengths to create value for the Group.

Engineering Aligner

Allied High Tech X-Prep

In the financial year ended 30 June 2024, APSS generated $5.3 million in revenue but incurred a $0.6 million operating loss, excluding a non-recurring impairment loss of goodwill and customer relationships. Its performance was affected by ongoing supply chain disruptions, customer delays in capital expenditures, and manpower constraints. Despite these challenges, APSS remains committed to staying relevant and agile by actively monitoring market developments and aligning its product offerings to meet market demands effectively.

EGG PRODUCTION AND DISTRIBUTION ("EPD")

The Group invested in the EPD business through an 80% interest in ISE Capital Management Pte Ltd ("ICM") which in turn holds a 70% interest in ISE Foods Holdings Pte Ltd ("IFH"). IFH is set to develop and operate the 4th egg farm in Singapore. For this long-term project, the Group will leverage agri-technologies and collaborate with one of the world's largest egg producers. Due to land scarcity, Singapore imports over 90% of its food. Currently, three local egg farms supply about 30% of the country's egg consumption. The development of the 4th egg farm will increase the capacity of local farms to meet approximately half of Singapore's demand for eggs and help meet Singapore's food security goal.

OPERATIONS REVIEW

Ongoing supply chain disruptions, rising costs, global climate change and stricter biosecurity requirements have increased development costs and added complexities to project execution, leading to project delays. To address these challenges, we are working closely with the Singapore Food Agency (SFA) to secure more funding, obtain additional land for biosecurity needs and extend our leases. We are also revising our development plans and timelines. Our objective is to ensure from the outset that necessary actions are taken to effectively manage and mitigate risks of potential disruptions and to ensure the egg farm will remain sustainable and viable, generating new income streams for the Group. As eggs are a staple food which is widely consumed, the EPD business will enable us to buffer against the cyclical nature of the semiconductor and electronics industries.

INVESTMENTS

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

FINANCIAL REVIEW

PERFORMANCE

The Group's revenue of $55.1 million for the financial year ended 30 June 2024 ("FY2024") was $4.0 million lower than $59.1 million for the previous financial year ("FY2023"). The decrease in revenue was mainly due to lower sales of equipment and consumables. Gross profit margin had increased marginally by 1% from 20% in FY2023 to 21% in FY2024 due to a change in revenue mix.

Other income for FY2024 was $1.4 million, $0.3 million higher than $1.1 million for FY2023. The increase was mainly due to fair value gain on financial assets at fair value through profit or loss which was partially offset by lower net exchange gain, government grants and subsidies.

The Group had recognised fair value gains on the land it owns in Bintan, Indonesia of $0.3 million and $0.4 million in FY2024 and FY2023 respectively based on valuations carried out by an independent professional valuer.

The Group's distribution and administrative expenses of $12.8 million in FY2024 was comparable to FY2023.

The Group had recognised impairment losses on goodwill and intangible assets of $1.6 million and $0.5 million respectively for the Automated Precision System Solutions ("APSS") cash-generating unit ("CGU"), and impairment losses on goodwill and right-of-use assets of $4.2 million and $0.4 million respectively for the Egg Production and Distribution ("EPD") CGU, as the recoverable amounts of these CGUs were determined to be lower than their carrying amounts.

Other expenses in FY2024 were insignificant whilst the $0.3 million in FY2023 were in respect of fair value loss on financial assets at fair value through profit or loss.

Finance income of $1.6 million in FY2024 was $0.4 million higher than $1.2 million in FY2023 mainly due to the higher interest rate environment.

Overall, the Group recorded a net loss after tax of $5.5 million in FY2024 compared to a net profit after tax of $0.7 million in FY2023. Excluding non-recurring impairment losses on goodwill, intangible assets and right-of-use assets of $5.8 million, $0.5 million and $0.4 million respectively, the Group's results was an adjusted profit of $1.2 million for FY2024.

FINANCIAL POSITION

The shareholders' funds of the Group stood at $99.3 million as at 30 June 2024, $7.9 million lower than $107.2 million as at 30 June 2023. The decrease was attributed to net loss for the year, exchange differences arising from translation of financial statements of foreign operations, net change in fair value of financial assets at fair value through other comprehensive income and payment of final dividend in respect of FY2023.

The Group's total assets of $126.0 million as at 30 June 2024 was $14.5 million lower than $140.5 million as at 30 June 2023. The decrease was due to lower inventories and trade and other receivables, non-recurring impairment losses on goodwill, intangible assets and right-of-use assets in respect of the APSS and EPD CGUs, a decrease in the carrying value of the investment property attributed mainly to translation loss arising from weakening of Indonesian Rupiah against Singapore Dollar, and lower financial assets due to portfolio rebalancing.

The Group's total liabilities of $16.2 million as at 30 June 2024 was $4.6 million lower than $20.8 million as at 30 June 2023 mainly because of lower trade and other payables.

FINANCIAL REVIEW

CASH FLOWS

The Group's cash and cash equivalents decreased by $0.3 million from $55.2 million as at 30 June 2023 to $54.9 million as at 30 June 2024.

The decrease was mainly attributed to:

(a) net cash of $2.4 million used in financing activities; which was partially offset by

(b) net cash of $2.0 million generated from investing activities; and

(c) net cash of $0.2 million generated from operating activities.

Net cash used in financing activities of $2.4 million was primarily due to the payment of final dividend in respect of FY2023 approved at the Annual General Meeting in October 2023 and payments of lease liabilities.

Net cash of $2.0 million generated from investing activities was mainly attributed to net proceeds from disposal of the Group's investments in financial assets.

The Group generated net cash of $0.2 million from its operating activities in FY2024 compared to $0.4 million in FY2023. The decrease was due to higher working capital requirements.

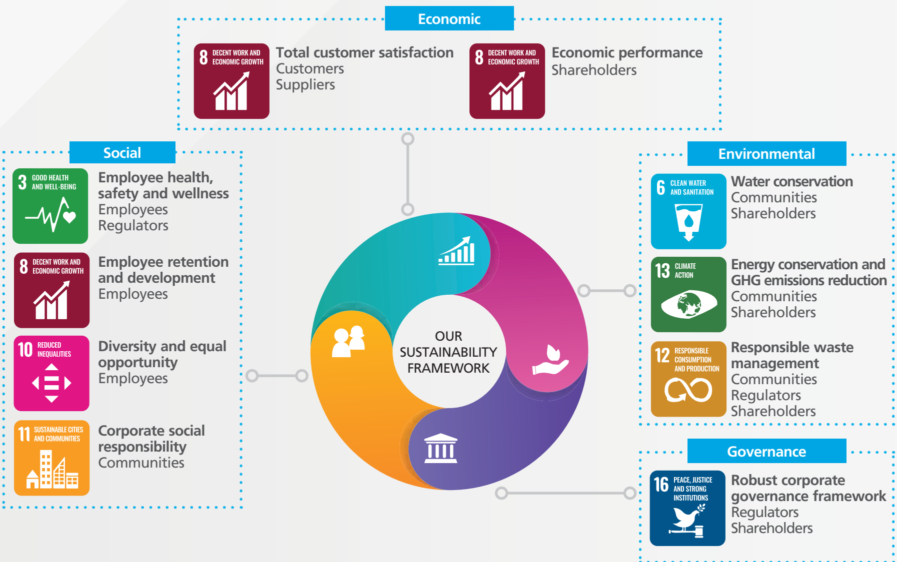
SUSTAINABILITY REPORT

BOARD STATEMENT

The Board of Directors (the "**Board**") of Ellipsiz Ltd ("**Ellipsiz**", the "**Company**" or together with its subsidiaries, the "**Group**", "**We**") is pleased to present this Sustainability Report ("**Report**") for the financial year from 1 July 2023 to 30 June 2024 ("**FY2024**" or "**Reporting Period**"). For this Report, we provide insights into the way we do business, while highlighting our material sustainability factors under the economic, environmental, social and governance pillars (collectively, the "**Sustainability Factors**").

The Board is responsible for overseeing the business and corporate affairs of the Group, including sustainability matters. The Board believes that a responsible business approach is integral to our long-term success. After considering the Group's sustainability issues as part of its strategic planning and business strategies, the Board identified the material Sustainability Factors and ensured oversight over the management and monitoring. We are committed to adopting sustainable practices across our operations, empowering individuals, enriching communities, and creating a positive impact on the environment and society, thereby securing our long-term future.

This Report also demonstrates our commitment to the United Nations' Sustainable Development Goals ("**SDGs**"). As we collaborate closely with our stakeholders throughout the supply chain, their inputs guide our sustainability initiatives, helping us prioritise our material Sustainability Factors. Below is an illustration of the interaction between our material Sustainability Factors, stakeholders and the SDGs:



SUSTAINABILITY REPORT

SUSTAINABILITY PERFORMANCE AT A GLANCE

A summary of our material sustainability performance in FY2024 is as follows:

Sustainability factor	Performance indicator	Sustainability performance	
		FY2024	FY2023
Economic	Revenue	$55.1 million	$59.1 million
	Net (loss)/profit after tax	($5.5) million	$0.7 million
Environmental	Aggregated Scope 1 and 2 GHG emissions (tonnes CO_2e)	69.0	72.4
	Aggregated Scope 1 and 2 GHG emissions intensity (tonnes CO_2e/ revenue S$'000)	0.001	0.001
	Number of reported incidents of significant fines and/or non-monetary sanctions incurred as a result of non-compliance with applicable environmental laws and/or regulations	–	–
Social	Number of workplace fatalities	–	–
	Number of high consequence[1] work-related injuries	–	–
	Number of recordable work-related injuries[2]	1	–
	Number of work-related ill health cases[3]	–	–
	Turnover rate	10.5%	10.2%
	Average training hours per employee	4.7	2.4
	Number of reported incidents of unlawful discrimination[4] against employees	–	–
Governance	Number of incidents of corruption[5]	–	–

1 A high-consequence work-related injury refers to an injury from which the worker cannot recover or cannot recover fully to pre-injury health status within six months.

2 Recordable work-related injuries refer to all work-related injuries that a company is required to report to the relevant local authorities.

3 A work-related ill health case refers to a case with negative impacts on health arising from exposure to hazards at work.

4 An unlawful discrimination refers to an incident whereby the relevant authority has commenced investigation and resulted in a penalty to a company.

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

SUSTAINABILITY REPORT

ABOUT US

Our Core Business

Ellipsiz was founded as a leading provider of integrated solutions in the electronics industry. Over the years, we have become one of the leading engineering and service solutions providers, serving customers in the semiconductor industry across Asia. Our current core business is in providing distribution and services solutions ("**DSS**") to customers in the semiconductor and telecommunication industries. The supply chain of our DSS business is as follows:

Our Suppliers

We procure equipment from suppliers of leading equipment and products.

Our Operations

We distribute a wide range of manufacturing, testing and inspection/measurement equipment and offer engineering and service-oriented solutions.

Our Customers

We sell to customers in the semiconductor and telecommunication industries across Asia.

Our Vision and Mission

VISION

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

MISSION

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

SUSTAINABILITY REPORT

Our Core Values

Our core values guide the inner workings of our brand. They shape our culture, define our beliefs and practices, and enable us to achieve desired results while continually improving our services to our customers.

VALUES

Our People

As of 30 June 2024, the total number of permanent full-time employees by country is as follows:

Singapore	Taiwan	China	Malaysia	Total
56	16	18	14	104

We did not employ any temporary, part-time or non-guaranteed hours employees as of 30 June 2024.

SUSTAINABILITY REPORT

ABOUT THIS REPORT

Reporting Framework

This Report is prepared in accordance with Listing Rules 711A and 711B of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and with reference to the Global Reporting Initiative ("**GRI**") Standards. We use the GRI framework because it is an internationally recognised reporting framework. The GRI content index is available in the appendix.

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

Our climate-related disclosures are based on the 11 recommendations of the Taskforce on Climate-related Financial Disclosures ("**TCFD**").

We relied on internal data monitoring and verification to ensure the accuracy of this Sustainability Report. Internal reviews on the sustainability reporting process are incorporated into our internal audit cycle. We aim to achieve external assurance for our future sustainability reports.

Reporting Scope

This Report outlines our strategies and practices in key sustainability areas and provides a detailed account of our sustainability performance. Our reporting scope includes the following key operating entities within the Group's DSS operations in Singapore, Taiwan, China and Malaysia, which contributed to more than 90% of the Group's revenue for FY2024 (FY2023: more than 90%):

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

Feedback

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

SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

Building an effective organisation relies on maintaining a healthy company culture, which emphasises interaction with key stakeholders. We value our key stakeholders and believe that regular engagements generate new ideas and fosters co-operation, ultimately enhancing the organisation's sustainability performance and overall effectiveness in the long run.

Through an internal stakeholder mapping exercise, we identified key stakeholder groups with whom we prioritise engagement. They include entities and individuals who have interests that are affected or could be affected by our activities.

Our efforts are focused on creating sustainable value for our key stakeholders, which comprise communities, customers, employees, government and regulators ("**Regulators**"), shareholders and investors ("**Shareholders**"), and suppliers. Key stakeholders for each Sustainability Factor are identified based on the extent to which their interests are, or could be, affected by the Group's activities.

We recognise the importance of dedicating time and effort to understanding and addressing our key stakeholders' major concerns and expectations. By engaging in both formal and informal interactions with our key stakeholders, we strive to build mutually beneficial relationships and ensure a smooth operation within the organisation:

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

SUSTAINABILITY REPORT

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

SUSTAINABILITY REPORT

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

POLICY, PRACTICE AND PERFORMANCE REPORTING

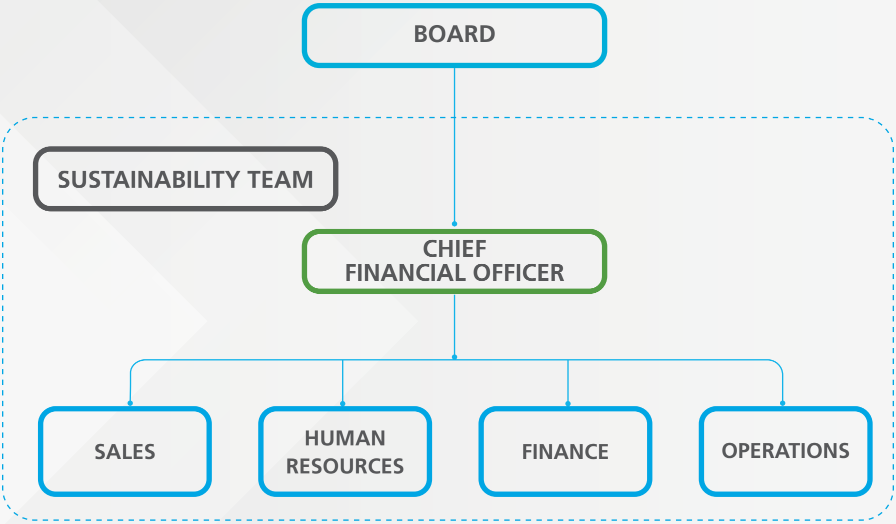
A sustainability reporting policy ("**SR Policy**") is in place to guide our sustainability reporting. This policy covers our sustainability strategies, reporting structure, materiality assessment and processes for identifying and monitoring material Sustainability Factors. Under this SR Policy, we will regularly monitor, review and update our material Sustainability Factors, incorporating feedback from stakeholder engagement and considering both organisational and external developments.

Sustainability Governance Structure

The Board is responsible for overseeing sustainability matters. To enhance the knowledge of our directors on sustainability reporting and to meet the requirement of Listing Rule 720(7) of SGX-ST, we confirm that all Directors have attended one of the approved sustainability training courses.

SUSTAINABILITY REPORT

The Board is supported by an executive-level sustainability team ("**Sustainability Team**"), led by the Chief Financial Officer and consisting of senior management executives from key business units and corporate functions. The Sustainability Team reviews, assesses and makes recommendations to the Board on sustainability matters. Additionally, the Sustainability Team is responsible for developing the sustainability strategy, reviewing material impacts, considering stakeholder priorities, setting goals and targets, and collecting, verifying, monitoring and reporting performance data for this Report. This ensures effective integration of sustainability initiatives into the business.



In addition to the Sustainability Team, the Audit and Risk Committee supports the Board in overseeing assurance activities conducted by the internal audit function on the Company's sustainability reporting processes, as part of the Group's internal audit plan.

Sustainability Reporting Process

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

SUSTAINABILITY REPORT

Processes involved are shown in the chart below:

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

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

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

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

Validate
Sustainability Factors will be internally validated by the leadership team

Review
In each reporting period, review the material Sustainability Factors from the previous period to account for changes in impacts resulting from feedback received during stakeholder engagement and from organisational and external developments

Materiality Assessment

We constantly refine our management approach to adapt to the changing business landscape. The Group performs an annual materiality assessment to ensure that the issues disclosed in our sustainability reports remain current, material, and relevant. From the assessment, we identify key areas that impact our ability to create value for our stakeholders.

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

Performance Tracking and Reporting

We track the progress of our material Sustainability Factors by identifying relevant data points, measuring and monitoring them. In addition, we set performance targets aligned with our strategy to stay focus on our path to sustainability. We will consistently enhance our performance-monitoring processes and improve our data capturing systems. An annual sustainability report is being published in accordance with our SR Policy.

SUSTAINABILITY REPORT

MATERIAL SUSTAINABILITY FACTORS

In FY2024, the Sustainability Team conducted a stakeholder engagement session[6] and materiality assessment to understand the concerns and expectations of our stakeholders. Based on these activities, we updated the factors with significant impacts on the economy, environment, people and their human rights. In this Report, we present our progress in managing these Sustainability Factors and set related targets to improve our sustainability performance.

Presented below is a list of material Sustainability Factors applicable to the Group:

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

We will update the material Sustainability Factors annually to reflect changes in business operations, the environment, stakeholder feedback and sustainability trends.

[6] The Company distributed an online survey to its internal and external stakeholders, including customers, employees and suppliers, to gather perspectives on the most important sustainability factors for the business to prioritise.

SUSTAINABILITY REPORT

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

ECONOMIC
Total Customer Satisfaction
Our Commitment

In line with our vision to be the best creator of value for our customers, business partners and stakeholders in markets that we participate in, we are committed to embedding customer focus, one of our core values, into our corporate culture. We are also committed to offering innovative and integrated solutions to enable our customers and business partners to achieve their goals optimally.

Our Approach

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

Offer an extensive product portfolio that meets market needs

We provide a comprehensive range of products and services tailored to the semiconductor and electronics ecosystem. Our product listing can be found on our website: https://www.ellipsizdss.com/products/.

OUR KEY PRODUCTS

KIMTECH Cleanroom Apparel

A cleanroom garment that designed specifically to prevent contamination by foreign particles within a sterile environment.

Comet Yxlon Cheetah EVO X-Ray Inspection System

An advanced X-ray inspection system designed for examining printed circuit board assemblies and semiconductors.

Allied MetPrep 4X Grinder/ Polisher with Power Head

A sophisticated machine used for preparing material samples in industrial and research settings.

SUSTAINABILITY REPORT

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

Ensure suppliers adopt market standards on product quality
Our key suppliers are certified under internationally recognised quality standards to maintain product quality and safety.

Our Performance

Internationally recognised quality standards adopted by our key suppliers are as follows:

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

Economic Performance

Our Commitment

We believe in creating long-term economic value for shareholders through relevant and meaningful strategies.

Our Approach

We strive to generate and distribute economic value by executing our business strategy, which includes staying abreast of market trends, delivering profits, making dividend payments, maintaining a robust balance sheet and strong operating cash flows, and mitigating identified business risks.

For our egg production and distribution business, we are currently discussing with the relevant authority on matters related to increased funding support, additional land allocation for biosecurity measures, development timelines and lease extensions. Addressing these issues will require considerable time and effort. Against this background, a re-evaluation of the viability of the egg farm project by the Group in consultation with the relevant authority, may also be required. The objective is to ensure that necessary actions are taken from the outset to effectively manage and minimise the risks of potential disruptions to the farm's future operations.

Our Performance

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

SUSTAINABILITY REPORT

ENVIRONMENTAL

Energy Conservation and GHG Emissions Reduction

Our Commitment

To mitigate the negative impacts of climate change, we are committed to responsible energy use and reducing GHG emissions. We are committed to reduce our carbon footprint while remaining open to opportunities that may arise as we transition to a low-carbon organisation.

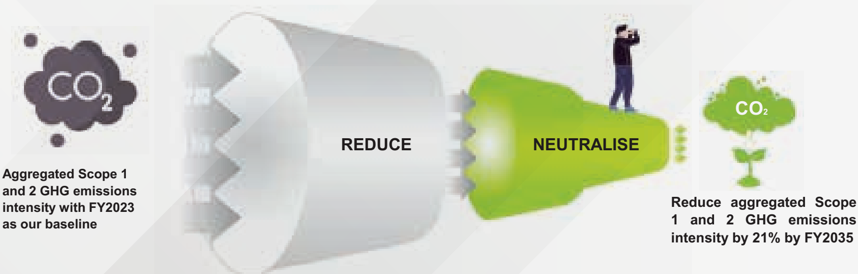
Our Approach

We closely track and monitor our Scope 1, 2, and certain categories of Scope 3 GHG emissions and are developing mechanism to track other relevant and practicable Scope 3 categories. We have developed a climate change transition plan, which will be refined and improved as we implement it, taking into account changes in business operations, the environment and market trends. Progress updates and performance will be provided in our future sustainability reports, with assurance provided through an internal review of the reporting process.

<u>Climate change transition plan</u>

Our climate change transition plan charts our path on the decarbonisation journey. Under this strategy, we commit to reduce our aggregated Scope 1 and 2 GHG emissions intensity by 21% by FY2035, using FY2023 as our baseline. The plan focused on two (2) strategic levers: reduce and neutralise, as follows:

Climate change transition plan



SUSTAINABILITY REPORT

Details of our strategic levers are as follows:

Lever	Reduce	Neutralise
Description	• Reduce absolute emissions first within our operations and followed by our supply chain • Replace existing energy source with low or zero-carbon sources	Neutralise unavoidable residual emissions
Focus area	• Energy efficient lightings • Behavioural changes • Clean energy	• Renewable energy certificates ("**REC**") • Carbon credits

We review our energy consumption regularly to manage usage, taking corrective actions when unusual consumption patterns are detected. We continuously strive to improve our energy use and efficiency through the following initiatives and aspirations:

Lever	Key initiative	Description
Reduce	Energy efficient lightings	We optimise electricity efficiency using high-efficiency lightings, such as LED lightings, wherever practicable.
	Behavioural changes	We constantly remind our staff of basic and socially responsible habits at their workplaces such as adopting greener work ethics, switching off appliances if not in use and enabling power-saving mode.
	Clean energy	We are constantly exploring opportunities to source for clean and/or renewable energy where we operate.
Neutralise	• REC • Carbon credits	The Group plans to explore the use of REC and carbon credits to offset unavoidable residual emissions as the relevant markets mature.

Our Performance

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

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

SUSTAINABILITY REPORT

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

Performance indicator	Unit of measurement	FY2024	FY2023
Energy consumption			
Diesel consumption	GJ	320	283
Electricity consumption	GJ	332	395
Total energy consumption	GJ	652	678
Total energy consumption intensity	GJ/revenue $'000	0.01	0.01
GHG emissions			
Scope 1[7] GHG emissions (Direct emissions)	tonnes CO_2e	24.1	21.1
Scope 2[8] GHG emissions (Indirect emissions from electricity)	tonnes CO_2e	44.9	51.3
Aggregated Scope 1 and 2 GHG emissions[9]	tonnes CO_2e	69.0	72.4
Aggregated Scope 1 and 2 GHG emissions intensity	tonnes CO_2e/revenue $'000	0.001	0.001

During the Reporting Period, we began tracking selected Scope 3 emissions for our operations in Singapore. These are as follows:

Category	Coverage	Unit of Measurement	FY2024[10]
Category 6: Business travel	Air travel	tonnes CO_2e	7.1
Category 7: Employee commuting	Transportation of employees between their homes and their worksites	tonnes CO_2e	18.0

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

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

9 Our total GHG emissions are not expected to be material, due to the nature of our business as a distributor.

10 No comparative data is available as we only started tracking Scope 3 emissions in FY2024. Scope 3 emissions were calculated using calculation tools such as the International Civil Aviation Organisation Carbon Emissions Calculator and the Carbon and Emissions Recording Tool.

SUSTAINABILITY REPORT

Responsible Waste Management

Our Commitment

Our planet provides us with abundant but limited natural resources. We recognise that environmental preservation through efficient waste management such as reducing and recycling allows us to operate responsibly and sustainably. We are also committed to proper waste disposal to remain environmentally responsible and comply with legal requirements.

Our Approach

Key waste generated in our operations includes general waste and packaging waste, such as paper waste, plastic bags, shrink wrap and paper cartons. Our waste management measures include:

Move towards a paperless working environment

We are transitioning to e-paper and aiming to go paperless in our workplace by digitising paper-based processes and documents. This initiative also increases our productivity by reducing time spent on physical activities such as filing, photocopying and maintaining paper trail.

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

Support Singapore's zero waste vision

Singapore is working towards becoming a zero-waste nation by reducing material consumption, and promoting the reuse and recycling of materials. To achieve this vision, the National Environment Agency ("**NEA**") implemented the Mandatory Packaging Reporting ("**MPR**") scheme. As the key operating entity under the DSS business, Ellipsiz DSS Pte. Ltd. is required to comply with the MPR scheme. In line with growing awareness of the environmental impact of packaging usage and our commitment to the zero-waste vision, we constantly track our packaging waste, which comprise mainly plastic bags and paper cartons for products delivered to customers in the food, pharmaceutical and healthcare industries.

Our Performance

In FY2024, there were zero (FY2023: zero) fines or non-monetary sanctions incurred as a result of non-compliance with environmental laws and/or regulations during the Reporting Period. The total weight of packaging waste generated by our Singapore operations, Ellipsiz DSS Pte. Ltd., as reported to the NEA under the MPR scheme, is 8,685 kg for the calendar year 2023.

SUSTAINABILITY REPORT

Water Conservation
Our Commitment
We are committed to water-use efficiency to address global water scarcity.

Our Approach
We rely on water resources for our operations, primarily in the office environment. Our water conservation initiatives include regularly tracking and reviewing our water consumption.

Our Performance
Key statistics on our water consumption during the Reporting Period[11] are as follows:

Resource[12]	Water consumption (CuM)	Water consumption intensity (CuM/employee)
	FY2024	
Water	468	4.5

SOCIAL
Employee Health, Safety and Wellness
Our Commitment
We believe that everyone has the right to a safe and healthy work environment and are committed to ensuring the safety and well-being of our employees.

Our Approach
In our daily operations, employees at our warehouse are required to operate heavy lifting equipment, such as, a forklift to move inventories.

We have adopted the following key measures in managing health and safety in our workplace:

- A workplace safety and health policy and a set of safe work procedures are maintained;
- New employees are briefed on safety procedures during orientation; and
- Workplace risk assessments, in line with our risk management procedures, are performed by our Singapore operations and reviewed regularly. A risk assessment team is in place to identify, evaluate and monitor the occupational health and safety hazards associated with work activities and processes. The identified hazards are assessed, taking into consideration both existing and additional controls required.

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[11] No comparative data is available due to non-availability of information from the prior year.

[12] Disclosure on water drawn from water stress areas is not made, as the Group does not significantly impact the ability of the countries where it operates, in meeting their human and ecological water demands.

SUSTAINABILITY REPORT

Our Performance

We attained bizSAFE Level 3 certification from the Workplace Safety and Health Council for our operations in Singapore. This certification recognises our continuous efforts to foster a positive health and safety culture in our operations.

During the Reporting Period, we recorded zero workplace fatalities, zero high-consequence work-related injuries, one recordable work-related injuries, and zero work-related ill health cases (FY2023: zero workplace fatalities, zero high-consequence work-related injuries, zero recordable work-related injuries and zero work-related ill health cases). The single recordable work-related injury was primarily related to a slip and fall incident. Nonetheless, we are committed to sharing lessons learned from this incident across business units to prevent recurrence.

Employee Retention and Development

Our Commitment

Our employees drive our business, and we believe in creating a respectful, rewarding and safe working environment for them. Given the competitive hiring landscape, employee retention is a key concern for the Group.

Our Approach

We provide an environment where the dedication and commitment of our people are recognised. We acknowledge the contributions of employees who exceed expectations and showed commitment to our vision and mission by awarding them the Outstanding Staff Award. Long-serving employees receive the Long-Service Award, which recognises milestones starting from the fifth year, and is awarded in five-year intervals.

To remain an attractive employer, we provide competitive and market-aligned remuneration, welfare and benefits. These include medical and dental benefits, relevant insurance coverage, annual leave and additional leave entitlement such as marriage, compassionate, maternity, paternity, shared parental, childcare and unpaid infant care leave for eligible employees. We strictly adhere to the basic terms of employment stipulated by national laws in the countries where we operate to safeguard the employees' legitimate rights and benefits.

SUSTAINABILITY REPORT

Our Performance

As of 30 June 2024, the Group had 104 employees (30 June 2023: 106 employees).

New employee hires

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

Disclosure	FY2024		FY2023	
	Number	Rate	Number	Rate
Gender				
Male	5	7.4%	5	7.4%
Female	4	10.8%	3	7.6%
Age				
Above 50	3	8.0%	2	5.8%
30 to 50	2	3.2%	4	5.8%
Below 30	4	80.0%	2	50.0%
Overall new hires	9	8.6%	8	7.4%

Employee turnover

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

Disclosure	FY2024		FY2023	
	Number	Rate	Number	Rate
Gender				
Male	3	4.4%	7	10.3%
Female	8	21.6%	4	10.1%
Age				
Above 50	3	8.0%	1	2.9%
30 to 50	6	9.6%	10	14.5%
Below 30	2	40.0%	–	–
Overall turnover	11	10.5%	11	10.2%

SUSTAINABILITY REPORT

Robust employee performance appraisal system
Our annual appraisal system supports our remuneration practices, opportunities for advancement and promotion, recognition of achievements, training needs and other employment conditions.

We aim to appraise our employees at least once a year through an annual performance review, which includes an open discussion of their performance, training, development and long-term career goals. During the Reporting Period, all eligible employees received performance appraisals (FY2023: 100%).

Employee training and education
With rapid technological and market changes in our industry, it is vital for our employees to stay updated on the latest developments in the industry. We encourage and support continuous development through various upgrading and career development programmes. During the Reporting Period, our full-time employees attended in-house and external trainings on topics such as workplace safety and sales handling. We invest time and effort in grooming dedicated individuals to take on more responsibilities and grow with the Group.

We prioritise competency development, believing that effective employee training programme is crucial for retention and the long-term success of our business. In FY2024, our employees received approximately 4.7 hours of training per employee (FY2023: 2.4 hours of training per employee).

Disclosure	FY2024	FY2023
Overall		
Total training hours	489	251
Average training hours per employee	4.7	2.4
Gender (Male)		
Total training hours	341	191
Average training hours per employee	4.9	2.8
Gender (Female)		
Total training hours	148	60
Average training hours per employee	4.2	1.5
Management		
Total training hours	209	72
Average training hours per employee	6.7	2.1
Non-management		
Total training hours	280	179
Average training hours per employee	3.8	2.5

The average training hours per employee increased due to the implementation of additional in-house training courses aimed at enhancing employee skills.

SUSTAINABILITY REPORT

Parental leave

Key statistics on maternity leave, paternity leave and shared parental leave (collectively as "**Parental Leave**") taken by eligible employees are as follows:

Disclosure	FY2024[13]	
	Male	Female
Number of employees entitled to Parental Leave	1	1
Number of employees who took Parental Leave	1	1
Number of employees who returned to work after Parental Leave ended	1	1
Return to work rate of employees who took Parental Leave	100%	100%

Diversity and Equal Opportunity

Our Commitment

We believe that our business success depends on the continued efforts and abilities of our employees. We recognise the importance of creating an all-inclusive environment where respect, equality and diversity are embraced, making our Group more vibrant and innovative. Accordingly, we are committed to providing a non-discriminatory work environment with equal opportunities and benefits for all employees, regardless of age, race, gender, religion, marital status and family responsibilities.

Our Approach

We have an Employees' Code of Conduct and Ethics Policy ("**Code of Conduct**") which sets out our stance against any form of discrimination.

We select and recruit employees based on merit, considering individual's competencies, skill sets, organisational and job fit.

[13] No employee took Parental Leave during FY2023.

SUSTAINABILITY REPORT

Our Performance

During the Reporting Period, we had no (FY2023: zero incidents) reported incidents of unlawful discrimination against employees. Key statistics on our employee demographics are as follows:

Gender diversity (%)

We view diversity at the Board level as crucial to supporting sustainable development. We currently have one (FY2023: one) female Board member representing 17% (FY2023: 17%) of the Board. Key statistics on gender diversity of our employees are as follows:

Disclosure	FY2024		FY2023	
	Male	Female	Male	Female
Overall	66.3%	33.7%	63.2%	36.8%
Employee category				
Management	80.6%	19.4%	73.5%	26.5%
Non-management	60.3%	39.7%	58.3%	41.7%

Age diversity (%)

Key statistics on age diversity of our employees are as follows:

Disclosure	FY2024			FY2023		
	Below 30	30 – 50	Over 50	Below 30	30 – 50	Over 50
Overall	4.8%	57.7%	37.5%	4.7%	61.3%	34.0%
Employee category						
Management	–	32.3%	67.7%	–	47.1%	52.9%
Non-management	6.8%	68.5%	24.7%	6.9%	68.1%	25.0%

Education diversity (%)

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

Educational qualification	FY2024	FY2023
Tertiary	79.8%	79.2%
Non-tertiary	20.2%	20.8%

SUSTAINABILITY REPORT

Corporate Social Responsibility

Our Commitment

One of our goals as a responsible and caring organisation is to give back to the society. We actively integrate corporate social responsibility into our sustainable business practices to generate positive outcomes and make a difference in the community. We believe that every act of kindness contributes significantly, and everyone has a role in building a gracious society.

Our Approach

We encourage our employees to participate in corporate social responsibility programmes to raise awareness and cultivate a sense of social responsibility towards the less privileged in our society.

Our Performance

On May 25th, 2024, we partnered with TOUCH to organise a memorable day for families at the TOUCH Family Festival, held at the beautiful Gardens by the Bay, Singapore. The event offered a fun-filled outing where families could relax, bond, and create lasting memories through various exciting activities.

Following the festivities, we presented a heartfelt donation of $10,000 to TOUCH Community Services. This contribution directly supports the TOUCH Young Arrows programme, which serves around 500 children aged 5 to 14 years old from lower-income and/or single-parent families. Through weekly academic programmes and value-driven activities, the programme empowers these children to overcome challenges and reach their full potential.

We firmly believe in the importance of giving back to the community and building strong support system for families. Partnering with organisations like TOUCH Community Services allows us to contribute to a brighter future for underprivileged youths. We are proud to support initiatives that make a real difference in people’s lives.

SUSTAINABILITY REPORT

GOVERNANCE

Robust Corporate Governance Framework

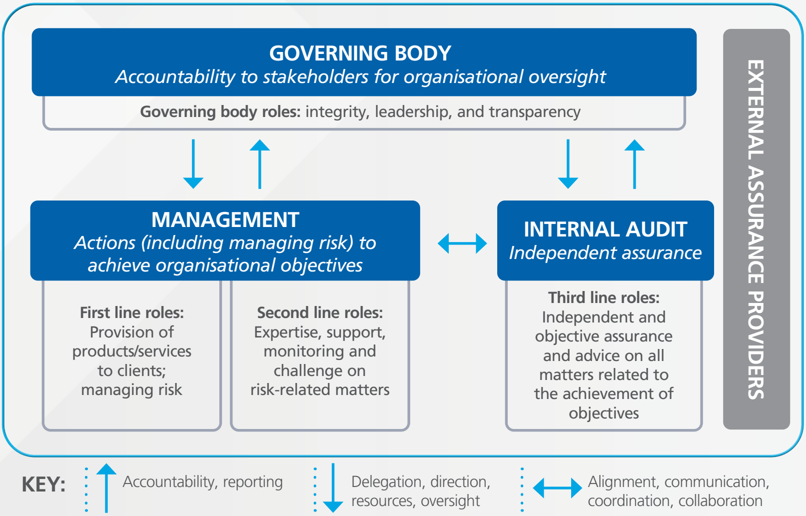
Our Commitment

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

Our Approach

Corporate governance and risk management approach

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



Source: Three Lines Model issued by the IIA

SUSTAINABILITY REPORT

Anti-corruption

As an organisation committed to business integrity, we maintain a zero-tolerance towards any forms of corruption. All employees are expected to uphold integrity and conduct themselves professionally and ethically in their work. Corrupt practices could expose the Group and individuals to criminal and civil liabilities and may adversely affect the Group's reputation.

The Group's Code of Conduct sets out, *inter alia*, the guidelines for acceptable ethical behaviour in the workplace and interactions with suppliers and customers. As part of our yearly exercise, the Code of Conduct is sent to all employees to read and refresh themselves of the guidelines set out therein. Executives and above are required to complete an online declaration form to confirm that he or she complied with the Code of Conduct during the financial year. Any non-compliance must be disclosed, along with relevant details.

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

Our Performance

There were no reported incidents of corruption in FY2024 (FY2023: zero incidents). Nonetheless, we remain vigilant in ensuring that our employees conduct themselves with the highest standards of integrity and accountability.

SUSTAINABILITY REPORT

TARGETS AND PROGRESS

To measure our ongoing sustainability performance and drive continuous improvement, we have developed a set of targets related to our material sustainability factors. We review and report our progress against these targets annually, with details as follows:

Legend	Progress tracking
○○○	New target
●●●	Target achieved
●●○	On track to meet target
●○○	Not on track, requires review

S/N	Material Sustainability Factor	Target[14]	Current year's progress
Economic			
1	Total customer satisfaction	Ongoing and long-term Ensure that our suppliers adhere to market standards	●●● Relevant market standards were adopted by our suppliers to ensure quality and safety in our products and services
2	Economic performance	Short-term Maintain or improve financial performance subject to market conditions	●○○ • Our FY2024 revenue of $55.1 million was 7% lower than the $59.1 million recorded in FY2023 mainly due to lower sales of equipment and consumables • We recorded a net loss after tax of $5.5 million in FY2024 compared to a net profit after tax of $0.7 million in FY2023 mainly due to non-recurring impairment losses on goodwill, intangible assets and right-of-use assets in FY2024. With the exclusion of these non-recurring impairment losses, we would record a net profit after tax of $1.2 million in FY2024
		Ongoing and long-term Maximise returns for long-term profitability, with the aim of creating sustainable shareholder value	○○○ We focused on proactive management and strategic adjustments to navigate complex challenges in both the semiconductor sector and the egg farm development. By staying agile and responsive, we aim to strengthen our position in both sectors and secure long-term growth

[14] Time horizons for target setting are (1) short-term: before FY2025, (2) medium-term: FY2025-FY2035, (3) long-term: after FY2035, (4) on-going: short, medium and long-term time horizons.

SUSTAINABILITY REPORT

S/N	Material Sustainability Factor	Target[14]	Current year's progress
Environmental			
3	Energy conservation and GHG emissions reduction	Short-term Reduce aggregated Scope 1 and 2 GHG emissions intensity	●●○ No material changes in aggregated Scope 1 and 2 GHG emissions intensity
		Medium-term Reduce aggregated Scope 1 and 2 GHG emissions intensity by 21% by FY2035, with FY2023 as our baseline	○○○ We developed a climate change transition plan and will refine and improve the plan as we progressively implement it, by considering changes in business operations, environment and market trends
4	Responsible waste management	Ongoing and long-term Maintain zero incidents of significant fines and/or non-monetary sanctions incurred as a result of non-compliance with applicable environmental laws and/or regulations	●●● Maintained zero incidents of significant fines and/or non-monetary sanctions incurred as a result of non-compliance with applicable environmental laws and/or regulations
5	Water conservation	Short-term Maintain or improve water consumption intensity	○○○ This is a new material Sustainability Factor identified by the Group
Social			
6	Employee health, safety and wellness	Ongoing and long-term Maintain or reduce the number of recordable work-related injuries and ill-health cases	●○○ • Maintained zero workplace fatalities, high-consequence work-related injuries, work-related ill health cases • Recorded an incident of recordable work-related injury primarily associated with slip and fall
7	Employee retention and development	Short-term Maintain or improve employee turnover rate, subject to market conditions	●●● No material changes in employee turnover rate
		Long-term Achieve an employee turnover rate of not more than 15%, subject to market conditions	●●● Achieved an employee turnover rate of 10.5%

SUSTAINABILITY REPORT

S/N	Material Sustainability Factor	Target[14]	Current year's progress
8	Diversity and equal opportunity	On-going and long-term Maintain zero reported incidents of unlawful discrimination against employees	Maintained zero reported incidents of unlawful discrimination against employees
9	Corporate social responsibility	On-going and long-term Continue to participate in various campaigns to help the communities	Continued to participate in community engagement campaigns
Governance			
10	Robust corporate governance framework	On-going and long-term Maintain zero reported incidents of corruption	Maintained zero reported incidents of corruption

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

SUPPORTING THE UN SDGs

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

SDG		Our effort
	Ensure healthy lives and promote well-being for all at all ages	Employee health, safety and wellness We implement measures to ensure a safe and secure work environment, as well as to maintain our employees' physical and mental health.

SUSTAINABILITY REPORT

SDG		Our effort
6 CLEAN WATER AND SANITATION	Ensure availability and sustainable management of water and sanitation for all	<u>Water conservation</u> We perform regular tracking and review on our water consumption, which in turn help us to work towards achieving sustainable management and efficient use of natural resources.
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<u>Total customer satisfaction</u> We place strong emphasis on customer satisfaction, understanding that it is essential to our business's continued success. This in turn contributes to economic growth. <u>Economic performance</u> We contribute to economic growth by creating long-term value for our shareholders. <u>Employee retention and development</u> We invest in employee training, education and development to enhance our business competencies, create decent and fulfilling jobs and contribute to economic growth.
10 REDUCED INEQUALITIES	Reduce inequality within and among countries	<u>Diversity and equal opportunity</u> We create a diverse and inclusive workplace providing equal opportunities and benefits that will bring new perspectives to our business and strengthen our ability to overcome new challenges.
11 SUSTAINABLE CITIES AND COMMUNITIES	Make cities and human settlements inclusive, safe, resilient and sustainable	<u>Corporate social responsibility</u> We encourage our employees to participate in corporate social responsibility programmes to raise awareness and cultivate a sense of social responsibility towards the less privileged in our society.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns	<u>Responsible waste management</u> We manage waste generated from our business operations in a responsible manner.

SUSTAINABILITY REPORT

SDG		Our effort
13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts	Energy conservation and GHG emissions reduction We adopt environmentally friendly measures to reduce our GHG emissions.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels	Robust corporate governance framework We are committed to high standards of corporate governance, as we believe this is integral in ensuring the sustainability of our business, safeguarding shareholders' interest and maximising long-term shareholder value.

SUPPORTING THE TCFD

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

Governance

a. ***Describe the board's oversight of climate-related risks and opportunities.***

The Board oversees the management and monitoring of the Sustainability Factors and considers climate-related issues when determining the Group's strategic direction and policies.

b. ***Describe management's role in assessing and managing climate-related risks and opportunities.***

Our sustainability strategy is developed and directed by the Sustainability Team in consultation with the Board. The team's responsibilities include addressing climate-related issues in strategy development, conducting materiality assessment, setting targets, and managing the collection, verification, monitoring and reporting of performance data.

Strategy

a. ***Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.***

b. ***Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.***

SUSTAINABILITY REPORT

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

Scenario	Description
NGFS – Orderly	This scenario assumes that climate policies are introduced early and become progressively more stringent. Both physical and transition risks remain relatively subdued due to cohesive stringent climate policies and innovation.
NGFS – Hot house world	This scenario assumes that some climate policies are implemented in certain jurisdictions, but global efforts are insufficient to prevent significant global warming. Critical temperature thresholds are exceeded, leading to severe physical risks and irreversible impacts like sea-level rise. Only currently implemented policies are maintained, leading to high physical risks.

We selected NGFS' orderly and hot house world scenarios for our qualitative climate scenario analysis. We analyse the impact of the climate-related risks on group-wide activities in the short term (before FY2025), medium term (FY2025-FY2035) and long term (after FY2035). Based on the above-mentioned scenarios, the climate-related risks and opportunities identified by the Group during an enterprise risk management ("**ERM**") exercise include the following:

<u>Climate-related risks and opportunities</u>

Climate-related Risk	Potential Impact	Mitigation Measure	Climate-related Opportunity
Key transition risk identified			
Enhanced GHG emissions-reporting obligations	With growing concerns about climate change, key stakeholders, including regulators and shareholders, are demanding climate-related reporting. Failure to comply with enhanced GHG emissions reporting obligations may lead to adverse impacts on the Group's reputation and financial performance.	To strengthen our sustainability governance structure, we establish a Sustainability Team to manage and monitor our material Sustainability Factors, including coordinating with various business units to ensure these are integrated into our daily operations. With these measures, we will be in a better position to meet the rising environmental needs and expectations of stakeholders.	The enhanced emissions reporting obligations and increased regulatory costs will raise climate awareness among our employees. With more defined job responsibilities and training, the Group will be better positioned to adopt environmentally friendly practices.

SUSTAINABILITY REPORT

Climate-related Risk	Potential Impact	Mitigation Measure	Climate-related Opportunity
Key physical risk identified			
Increased severity of extreme weather events	With rising temperatures and more frequent heatwaves due to global warming and climate change, we expect increased cost for cooling and reduced labour productivity.	We developed and disclosed our inaugural climate change transition plan to guide our decarbonisation journey. For further details, please refer to the Energy Conservation and GHG Emissions Reduction section.	We can capitalise on opportunities available to improve our operational efficiency and transition to renewable and clean energy.

NGFS – Orderly

Risk	Potential impact magnitude		
	Short-term	Medium-term	Long-term
Key transition risk identified			
Enhanced emissions-reporting obligations	Minor	Moderate	Moderate
Key physical risk identified			
Increased severity of extreme weather events	Minor	Minor	Minor

NGFS – Hot house world

Risk	Potential impact magnitude		
	Short-term	Medium-term	Long-term
Key transition risk identified			
Enhanced emissions-reporting obligations	Minor	Minor	Minor
Key physical risk identified			
Increased severity of extreme weather events	Minor	Moderate	Major

Legend

- Minor
- Moderate
- Major

SUSTAINABILITY REPORT

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

Based on the scenarios above, we will continue to develop adaptation and mitigation plans and allocate resources towards transitioning to low-carbon practices. We strive to minimise climate risks associated with our business and will seize opportunities by expanding collaboration and partnership with key stakeholders to innovate and develop low-carbon goods and services for the market.

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

The resilience of an organisation's strategy depends on its ability to adapt and thrive amid changing circumstances and emerging risks. The climate scenario analysis is crucial in providing insights into the extent of the climate-related risk exposure to our business and identifying potential opportunities.

Through our climate scenario analysis, we concluded that unmitigated climate risks (under warming scenario 2: Hot house world) may lead to severe financial impacts in the long term. Under warming scenario 1: Orderly, the primary impact will be attributable to transition risks from the cost increase from enhanced GHG emissions-reporting obligations. To address these risks and capitalise on opportunities associated with climate change, we will continuously refine our strategy to remain resilient throughout our sustainability journey.

Risk Management

a. Describe the organisation's processes for identifying and assessing climate-related risks.

b. Describe the organisation's processes for managing climate-related risks.

c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

Climate-related risk management is integrated into our ERM framework, where potential climate-related risks are identified, assessed, monitored and managed. Business units and functions are responsible for identifying and documenting their relevant climate-related risk exposures that might hinder their progress towards contributing to the Group's business objectives. These risks and opportunities, along with their treatment plans, are reviewed and updated during the ERM exercise and presented to the Audit and Risk Committee along with the other key enterprise-wide risks. Climate-related risks are also monitored based on the trend of climate-related performance indicators.

SUSTAINABILITY REPORT

Metrics and Targets

a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

We track, measure and report on our environmental performance, including energy consumption, GHG emissions and waste management and disclose related metrics in our Report. Monitoring and reporting these metrics help us identify areas with key climate-related risks and target our efforts more efficiently.

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

To support the climate change agenda, we disclose our Scope 1 and Scope 2 GHG emissions in the Report and set climate-related targets for energy consumption, GHG emissions, waste, and water management.

We recognise the importance of monitoring our indirect Scope 3 GHG emissions and started tracking and disclosing indirect Scope 3 GHG emissions from business travel (category 6) and employee commuting (category 7) in FY2024. We aim to review our Scope 3 GHG emissions to better track and disclose our material Scope 3 GHG emissions, expanding coverage to relevant categories as applicable and practicable.

c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

As part of our commitment to mitigating climate change, we have set targets related to energy consumption and GHG emissions. For further details, please refer to the Targets and Progress section.

SUSTAINABILITY REPORT

APPENDIX — GRI CONTENT INDEX

Statement of use	Ellipsiz Ltd has reported the information cited in the GRI content index for the period from 1 July 2023 to 30 June 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI standard	Disclosure	Location/Page Reference
GRI 2: General Disclosures 2021	2-1 Organisational details	14-16,19, 104,183-184
	2-2 Entities included in the organisation's sustainability reporting	23
	2-3 Reporting period, frequency and contact point	19, 23, 28
	2-4 Restatements of information	None
	2-5 External assurance	23
	2-6 Activities, value chain and other business relationships	21, 30-31
	2-7 Employees	22, 41
	2-8 Workers who are not employees	None
	2-9 Governance structure and composition	06-11, 26-27
	2-10 Nomination and selection of the highest governance body	65-67
	2-11 Chair of the highest governance body	06
	2-12 Role of the highest governance body in overseeing the management of impacts	26-27
	2-13 Delegation of responsibility for managing impacts	26-27
	2-14 Role of the highest governance body in sustainability reporting	26-27
	2-15 Conflicts of interest	58
	2-16 Communication of critical concerns	44, 78
	2-17 Collective knowledge of the highest governance body	26
	2-18 Evaluation of the performance of the highest governance body	67-68
	2-19 Remuneration policies	68-71
	2-20 Process to determine remuneration	68-71

SUSTAINABILITY REPORT

GRI standard	Disclosure	Location/Page Reference
	2-21 Annual total compensation ratio	Information is not provided due to confidentiality constraints.
	2-22 Statement on sustainable development strategy	03-05, 19
	2-23 Policy commitments	36, 40, 44
	2-24 Embedding policy commitments	36, 40, 44
	2-25 Processes to remediate negative impacts	44, 78
	2-26 Mechanisms for seeking advice and raising concerns	44, 78
	2-27 Compliance with laws and regulations	41, 44
	2-28 Membership associations	None
	2-29 Approach to stakeholder engagement	24-26
	2-30 Collective bargaining agreements	None of our employees are covered by collective bargaining agreements.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	27-29
	3-2 List of material topics	29
	3-3 Management of material topics	30-47
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	31, 93-94, 102-103
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	44
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	34
	302-3 Energy intensity	34
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	34
	305-2 Energy indirect (Scope 2) GHG emissions	34
	305-3 Other indirect (Scope 3) GHG emissions	34
	305-4 GHG emissions intensity	34
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	35
	306-3 Waste generated	35

SUSTAINABILITY REPORT

GRI standard	Disclosure	Location/Page Reference
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	38
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	37
	401-3 Parental leave	40
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	36
	403-2 Hazard identification, risk assessment, and incident investigation	36
	403-4 Worker participation, consultation, and communication on occupational health and safety	36
	403-5 Worker training on occupational health and safety	36, 39
	403-8 Workers covered by an occupational health and safety management system	36
	403-9 Work-related injuries	37
	403-10 Work-related ill health	37
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	39
	404-2 Programs for upgrading employee skills and transition assistance programs	39
	404-3 Percentage of employees receiving regular performance and career development reviews	39
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	41
	405-2 Ratio of basic salary and remuneration of women to men	Information is not provided due to confidentiality constraints.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	41
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	42

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "**Board**") of Ellipsiz Ltd (the "**Company**" and together with its subsidiaries, the "**Group**") is committed in its continuing efforts to achieve high standards of corporate governance and business conduct to enhance long-term shareholder value and safeguard the interests of its stakeholders. This report describes the Company's corporate governance practices for the financial year ended 30 June 2024 ("**FY2024**"), with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the "**Code**") and the accompanying Practice Guidance. The Board is pleased to report that the Company had adhered closely to the principles and provisions of the Code in FY2024. Where there are deviations from any provision of the Code, explanations as to how the Company's practices conform to the intent of the particular principle of the Code are provided in the relevant paragraphs of this report.

I. BOARD MATTERS

The Board's Conduct of Affairs

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

Provisions 1.1, 1.3 and 1.4

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

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

(a) strategic investments, acquisitions and divestments;

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

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

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

CORPORATE GOVERNANCE REPORT

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

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

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

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

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

Audit and Risk Committee	Nominating Committee	Remuneration Committee
• Amos Leong Hong Kiat (Chairman) • David Ong Kim Huat • Clement Leow Wee Kia • Iris Wu Hwee Tan	• Clement Leow Wee Kia (Chairman) • David Ong Kim Huat • Amos Leong Hong Kiat • Kelvin Lum Wen-Sum[1]	• Clement Leow Wee Kia (Chairman) • David Ong Kim Huat • Amos Leong Hong Kiat

[1] *Mr Kelvin Lum Wen-Sum had resigned as Executive Director and Chief Executive Officer ("**CEO**") and ceased to be a member of the NC with effect from 13 September 2024.*

<u>*Provision 1.5*</u>

The Board meets regularly and the Directors attend and participate actively in Board and Board committees meetings. The meetings of the Board and Board committees are planned and scheduled in advance to facilitate meaningful participation. In FY2024, the Board conducted four scheduled meetings on a quarterly basis. In addition, the Board had conducted ad-hoc meetings and discussions during the year to address specific significant matters or developments. The Company's Constitution permits the Board to conduct meetings by, *inter alia*, telephone conference or electronic means so as to enhance efficiency and allow for timely meetings. The Board may also make decisions by way of circular resolutions in writing.

CORPORATE GOVERNANCE REPORT

The attendance of each Director at meetings of the Board and of the Board committees in FY2024, as well as at the annual general meeting ("**AGM**") and extraordinary general meeting ("**EGM**") of the Company held in October 2023 is set out in the table below.

		Board Committees Meetings			General Meetings	
	Board Meetings	**ARC**	**NC**	**RC**	**AGM**	**EGM**
Number of meetings held	4	2	2	1	1	1
Director	**Number of meetings attended in FY2024**					
David Ong Kim Huat	4	2	2	1	1	1
Kelvin Lum Wen-Sum[1]	4	NA	2	NA	1	1
Kenneth Ho Siew Keong[2]	NA	NA	NA	NA	NA	NA
Amos Leong Hong Kiat[3]	4	2	2	1	1	1
Clement Leow Wee Kia[3]	4	2	2	1	1	1
Iris Wu Hwee Tan	4	2	NA	NA	1	1
Adrian Lum Wen-Hong	4	NA	NA	NA	1	1

1 *Mr Kelvin Lum Wen-Sum had resigned as Executive Director and CEO, effective 13 September 2024.*
2 *Mr Kenneth Ho Siew Keong was appointed as an Executive Director on 1 August 2024.*
3 *Mr Amos Leong Hong Kiat and Mr Clement Leow Wee Kia, both Independent Directors, will not be seeking re-election and will retire at the conclusion of the AGM to be convened on 22 October 2024 ("**2024 AGM**").*

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

Provision 1.6

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

CORPORATE GOVERNANCE REPORT

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

Provision 1.7

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

Provision 1.2

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

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

CORPORATE GOVERNANCE REPORT

In FY2024, training programmes attended by some of the Directors include:

(a) 2023 Board and Audit Committee Priorities organised by KPMG;

(b) From GRI to ISSB – What to Consider? organised by SID;

(c) The Board's Role in Talent Management organised by SID; and

(d) Mini Conference Series organised by ISCA.

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

Provisions 2.2 and 2.3

As at the date of this report, the Board comprises six members, three of whom are Independent Directors, including the Chairman. Other than Mr Kenneth Ho Siew Keong who joined on 1 August 2024 as an Executive Director, the remaining members of the Board are Non-Executive Directors, making up a majority of the Board.

Provision 2.1

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

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

Mr David Ong Kim Huat, Mr Amos Leong Hong Kiat and Mr Clement Leow Wee Kia have confirmed their independence respectively. They have no business relationship with the Group and are independent from the substantial shareholder and the officers of the Company. Save for the circumstances for Mr Amos Leong Hong Kiat and Mr Clement Leow Wee Kia as elaborated below, there is no other circumstance which would deem Mr David Ong Kim Huat to be non-independent.

CORPORATE GOVERNANCE REPORT

Mr Amos Leong Hong Kiat who was first appointed to the Board on 1 May 2009 has served on the Board beyond nine years. Mr Leong's continued appointment as an Independent Director was approved by shareholders at the AGM held on 22 October 2021. Mr Clement Leow Wee Kia who was first appointed to the Board on 8 May 2015 has also served on the Board for more than nine years. Pursuant to Rule 210(5)(d)(iv) of the SGX-ST Listing Manual, both Mr Amos Leong Hong Kiat and Mr Clement Leow Wee Kia are considered independent until the conclusion of the 2024 AGM.

Mr Kelvin Lum Wen-Sum (resigned with effect from 13 September 2024) and Mr Adrian Lum Wen-Hong are not independent as they are both sons of Mr David Lum Kok Seng, the legal and beneficial owner of Bevrian Pte Ltd, the controlling shareholder of the Company.

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

Mr Amos Leong Hong Kiat and Mr Clement Leow Wee Kia will not be seeking re-election and will retire as Directors at the conclusion of the 2024 AGM. The Company will appoint suitable replacements with relevant skill sets and experience to join the Board and will make further announcements once their appointments are finalised.

Provision 2.4

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

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

CORPORATE GOVERNANCE REPORT

Mr David Ong Kim Huat's marketing and tourism experience and leadership positions spanned across various international companies. In 1998, he established a company that specialises in providing media solutions to the tourism industry and has been the managing director of the said company since then. Mr Kelvin Lum Wen-Sum (resigned with effect from 13 September 2024) was formerly the managing director of an issuer listed on the SGX-ST where he oversaw the group's strategic investments and global operations. Mr Kenneth Ho Siew Keong held senior positions and has extensive work experience across several public, government-linked and private establishments, in functional areas of business and corporate development, planning and operations. Mr Amos Leong Hong Kiat, a veteran in the electronics manufacturing industry, has in-depth knowledge and experience in the same industry the Group is in. Mr Clement Leow Wee Kia has over 20 years of corporate finance experience in initial public offering, mergers and acquisitions including corporate advisory transactions. Ms Iris Wu Hwee Tan has over 30 years of financial and management experience which includes overseeing an extensive corporate affairs portfolio covering financial, taxation, corporate secretarial and legal matters. Mr Adrian Lum Wen-Hong has held various management positions previously whilst working locally and abroad, and has wide experience in formulating business strategy and identifying investment opportunities in the real estate segment. Please refer to the section entitled "*Board of Directors*" on pages 6 to 11 of this Annual Report for more information on each Director.

The Board's composition in terms of age and gender as at the date of this report is set out below.

Age Group	Number of Directors	Percentage (%)
30-50	2	33
>50	4	67
Total	6	100

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

The NC had conducted its assessment for FY2024 and is of the view that the Company had met its diversity objectives. The Board will exercise its best endeavours to continue maintaining the appropriate criteria to facilitate effective decision-making, taking into consideration the scope and nature of the Group's current operations.

CORPORATE GOVERNANCE REPORT

Provision 2.5

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

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

Provision 3.1

There is a clear segregation of the roles and responsibilities of the Chairman and the CEO as the roles are separately held by Mr David Ong Kim Huat, an Independent Director, and Mr Kelvin Lum Wen-Sum (resigned with effect from 13 September 2024). This ensures an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Chairman and the CEO are not immediate family members.

Provision 3.2

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

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

With the resignation of Mr Kelvin Lum Wen-Sum as Executive Director and CEO effective 13 September 2024 and pending the appointment of a new CEO, the CEO functions will be carried out by a management committee comprising Mr Kenneth Ho Siew Keong, Ms Iris Wu Hwee Tan and Mr Adrian Lum Wen-Hong. The Company has entered into a consultancy agreement on 1 July 2024 with each of Ms Iris Wu Hwee Tan and Mr Adrian Lum Wen-Hong for their services as members of the management committee.

Provision 3.3

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

CORPORATE GOVERNANCE REPORT

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

Provisions 4.1 and 4.2

As at the date of this report, the NC comprises three Directors, namely, Mr Clement Leow Wee Kia (as chairman), Mr David Ong Kim Huat and Mr Amos Leong Hong Kiat. All of them, including the chairman of the NC, are Independent Directors.

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

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

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

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

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

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

(f) review of the independence of each Director.

Provision 4.3

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

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

CORPORATE GOVERNANCE REPORT

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

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

Mr Amos Leong Hong Kiat and Mr Clement Leow Wee Kia having served on the Board for more than nine years will no longer be considered independent upon the conclusion of the 2024 AGM. They will not be seeking re-election and will retire as Directors at the conclusion of the 2024 AGM.

Mr Kenneth Ho Siew Keong will be retiring as Director at the 2024 AGM pursuant to Article 107 of the Company's Constitution. The NC has reviewed and is satisfied with his suitability for reappointment as Director and has endorsed his nomination for re-election. Please refer to the section entitled "*Additional Information on Director Seeking Re-Election*" on pages 193 to 198 of this Annual Report for information relating to Mr Kenneth Ho Siew Keong provided pursuant to Rule 720(6) of the SGX-ST Listing Manual.

Provision 4.4

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

Provision 4.5

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

CORPORATE GOVERNANCE REPORT

The listed company directorships held by, and the principal commitments of, each Director, if any, are disclosed on pages 6 to 11 of this Annual Report. Taking into account, *inter alia*, the attendance records of the Directors at the respective Board and Board committees meetings and their contributions towards the deliberations and decision-making of the Board and the Board committees, the NC is satisfied that sufficient time and attention are being given by each Director to the affairs of the Group, notwithstanding that some of the Directors serve on the board of other listed companies and/or have other principal commitments. The number of directorships in other listed companies and/or other principal commitments held by each of the Directors, if any, does not give rise to material concern and in fact, the experience such Directors have in other listed companies benefits the Group as they bring with them relevant knowledge and experience from their involvement in such other appointments.

No alternate Director was appointed during FY2024.

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

Provisions 5.1 and 5.2

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

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

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

CORPORATE GOVERNANCE REPORT

The results of the evaluation exercise carried out by the NC are reported to the Board. Recommendations on areas where the performance and effectiveness of the Board or Board committees could be enhanced are submitted to the Board for discussion and where appropriate, approval for implementation. No external facilitator was engaged for the evaluation process in FY2024.

II. REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

Provisions 6.1 and 6.2

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

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

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

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

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

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

Provisions 6.3 and 6.4

The RC reviews all aspects of remuneration of the Directors and key management personnel of the Group, including the terms of the service contracts to ensure that they are fair and reasonable. There is no provision for payment of compensation upon termination of service, retirement or any post-employment benefits in service contracts.

CORPORATE GOVERNANCE REPORT

Save for Ms Iris Wu Hwee Tan (as disclosed under *Principle 2, Provision 2.1 and Principle 3, Provision 3.2* of this report) and Mr Adrian Lum Wen-Hong (as disclosed under *Principle 3, Provision 3.2* of this report), whose consultancy agreements are reviewed by the NC, RC and ARC, all Non-Executive Directors have no written service contracts with the Company and are paid Director's fees, subject to shareholders' approval at the AGMs.

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

The RC is empowered under its written terms of reference to, *inter alia*, obtain professional advice and appoint consultants where necessary in the discharge of its duties and functions. No remuneration consultant was engaged by the RC in FY2024.

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

Provisions 7.1 and 7.3

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

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

Provision 7.2

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

CORPORATE GOVERNANCE REPORT

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

Provisions 8.1 and 8.3

Non-Executive Directors

The remuneration paid to Non-Executive Directors in FY2024 are set out below.

Director	Directors' fees ($)[1]	Consultancy fees ($)
David Ong Kim Huat	69,000	–
Amos Leong Hong Kiat	59,000	–
Clement Leow Wee Kia	59,000	–
Iris Wu Hwee Tan	55,000	102,000
Adrian Lum Wen-Hong	55,000	–
Total	**297,000**	**102,000**

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

Directors' fees of $297,000 was approved by shareholders at the last AGM held on 24 October 2023.

Executive Directors and Key Management Personnel

The remuneration (rounded to the nearest thousand) of Executive Directors in FY2024 are disclosed in the table below.

Executive Director	Total ($)	Salary and Allowance (%)	Bonus (%)
Kelvin Lum Wen-Sum[1]	792,000	89	11
Kenneth Ho Siew Keong[2]	NA	NA	NA

1 *Mr Kelvin Lum Wen-Sum had resigned as Executive Director and CEO, effective 13 September 2024.*
2 *Mr Kenneth Ho Siew Keong was appointed as an Executive Director on 1 August 2024.*

CORPORATE GOVERNANCE REPORT

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

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

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

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

The aggregate remuneration (rounded to the nearest thousand) of the top six* key management personnel of the Group (who are not Directors or the CEO) in FY2024 was $1,574,000 and the number of these key management personnel in remuneration bands of $250,000 are set out below.

	Number of key management personnel
$250,000 to $499,999	2
Below $250,000	4

* The disclosure included an additional key management personnel, up from five previously, to account for the remuneration of the former CFO, who resigned on 2 January 2024.

CORPORATE GOVERNANCE REPORT

Provision 8.2

Save for Mr Kelvin Lum Wen-Sum who is the son of Mr David Lum Kok Seng (the controlling shareholder of the Company) and the brother of Mr Adrian Lum Wen-Hong (a Director), the Group does not employ any other immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds $100,000 during FY2024. Mr Kelvin Lum Wen-Sum's remuneration is disclosed under *Principle 8, Provisions 8.1 and 8.3* of this report. He had resigned with effect from 13 September 2024.

III. ACCOUNTABILITY AND AUDIT

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

Provision 9.1

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

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

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

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

CORPORATE GOVERNANCE REPORT

The key risks faced by the Group in FY2024 are summarised below.

Distributorship Risk

The Group's Distribution and Services Solutions ("**DSS**") segment operates in a competitive landscape, making it essential for the Group to continuously identify, secure, and expand exclusive distributorships for leading products and/or reputable global brands in the semiconductor and electronics manufacturing services industries. To achieve this, the Group aims to position itself as a valuable partner by demonstrating a deep understanding of the products it markets and the requirements of the customers and their preferences. This strategy involves conducting regular dialogues and meetings with both suppliers and customers to foster strong relationships and to promptly address their needs.

In addition, the Group is exploring opportunities to establish new distributorships that offer strategic rights in key regions, thereby enhancing the Group's market presence, as well as considering partnerships with industry players to jointly develop and market relevant products. By continuously evaluating market conditions and leveraging its network of contacts, the Group seeks to expand its distributorship portfolio gradually and maintain its role as a key distributor in the said industries.

Egg Farm Project Risk

As the Group ventures into the commercial egg farming business, it faces several challenges necessitating adjustments to the timelines for the development of the egg farm. These challenges, including the impact of the COVID-19 pandemic, supply chain disruptions and inflationary pressures due to geopolitical tensions, and the need to enhance biosecurity measures in light of increased disease incidents in the region have caused development costs to rise significantly beyond initial estimates, complicating project execution and resulting in further delays.

To address these issues, the Group is engaging with the relevant authorities to discuss greater funding support, allocation of additional land to cater for biosecurity needs, adjustments to development timelines, and extension of leases.

With rising pathogen threats and climate-related risks, the Group will implement enhanced measures to safeguard farm operations. The Group is also leveraging external expertise for farm design and development. Plans are underway to engage a specialised project management team with relevant construction experience to oversee the project's progress and manage associated risks. This proactive approach ensures the Group remains agile and strategic in navigating the complexities of this venture.

CORPORATE GOVERNANCE REPORT

Industry Risk

The semiconductor industry, in which the Group's DSS segment operates, is undergoing a significant shift towards advanced process nodes and experiencing increased demand for high-performance computing and artificial intelligence. This shift presents not only risks but also exciting new opportunities which require us to adapt and align with the evolving needs of our principals, particularly in advanced technology nodes.

To capitalise on these opportunities and ensure our continued relevance, the Group is actively exploring ways to expand our product offerings to include AI-related solutions. We are collaborating closely with our existing suppliers to review and enhance our supply chain strategy, aiming to improve resilience and reduce dependency on single sources. Additionally, we are seeking to establish relationships with new suppliers to further diversify our supply chain and ensure a steady flow of essential components. By constantly monitoring industry trends and customer needs, we are committed to adapting our offerings to meet the evolving demands of the market.

Provision 9.2

The Board has received assurance from:

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

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

Based on the internal controls and risk management system established and maintained by the Group, work performed by the internal and external auditors, reviews performed by the ARC and management, and the assurances set out above, the Board, with the concurrence of the ARC, is of the opinion that, in respect of FY2024, the internal controls (including financial, operational, compliance and information technology controls) and risk management system of the Group were adequate and effective as at 30 June 2024 to meet the needs of the Group in its current business scope and environment.

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

CORPORATE GOVERNANCE REPORT

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

Provisions 10.1, 10.2, 10.3 and 10.5

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE REPORT

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

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

(h) to review interested person transactions; and

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

The ARC has full access to and co-operation from management. It has also been given the resources required to discharge its functions properly and has full discretion to invite any Director and/or senior management to attend its meetings. The external and internal auditors have unrestricted access to the ARC. The ARC met two times in FY2024. The details of the members' attendance are disclosed under *Principle 1, Provision 1.5* of this report. The ARC meets with the external auditor and the internal auditor without the presence of management at least once in each financial year.

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

In its review of the financial statements for FY2024, the ARC also reviewed together with management, the following key audit matters ("**KAMs**") reported by the external auditor. The ARC had concurred with management on the methodologies, accounting treatments and estimates adopted, as well as the disclosures made in the financial statements, in respect of such KAMs raised.

CORPORATE GOVERNANCE REPORT

KAMs	How the KAMs were addressed by the ARC
Impairment assessment of goodwill	The ARC considered and evaluated the valuation methodology applied by management, focusing on the key assumptions used for the cash flows projections in estimating the recoverable amounts of the cash-generating units ("**CGUs**"). The ARC considered the findings of the external auditor, including their assessment of the suitability of the valuation methodology and the underlying key assumptions used in determining the recoverable amounts of the CGUs. The ARC was satisfied with the impairment review process, the valuation methodology applied and the assessment that full impairment in goodwill was required for the Egg Production and Distribution and Automated Precision System Solutions CGUs as the carrying amounts of their respective net assets were higher than the recoverable amounts.
Valuation of investment property	The valuation of the investment property as at 30 June 2024 was carried out by Kantor Jasa Penilai Publik (KJPP) Willson dan Rekan in association with Knight Frank, an independent professional valuer. The ARC had considered the standing of the valuer, its independence, expertise and relevant experience in valuing the investment property. The ARC considered the valuation technique and the underlying key assumptions and adjustments applied by the valuer. The ARC also considered the findings of the external auditor, including their assessment of the appropriateness of the valuation technique and key assumptions and adjustments applied in the valuation. The ARC was satisfied with the valuation process, appropriateness of the valuation technique and key assumptions applied for the investment property as disclosed in the financial statements.

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

CORPORATE GOVERNANCE REPORT

Pursuant to Rule 1207(6)(b) of the SGX-ST Listing Manual, the ARC had undertaken a review of the nature and extent of all non-audit services provided by the external auditors and confirmed that they did not affect the independence and objectivity of the auditors. Please refer to page 134 of this Annual Report for details of fees paid/payable to the external auditors in respect of audit and non-audit services.

Provision 10.4

The ARC evaluates and decides on the appointment, termination and remuneration of the internal auditor, and makes its recommendation to the Board for approval. The Company has outsourced its internal audit function to Baker Tilly Consultancy (Singapore) Pte Ltd ("**Baker Tilly**" or "**Internal Auditor**"). Baker Tilly is the appointed outsourced internal auditor to many public listed companies in Singapore and Hong Kong. The engagement team is led by its engagement partner, who has more than 20 years of professional experience in the field and possesses the designation of Certified Internal Auditor and Chartered Accountant (Singapore), and comprises an engagement manager, lead consultants and consultants who possess relevant experience as well as designations such as Certified Public Accountant and Certified Internal Auditor. The Internal Auditor conducts their work in accordance with the International Professional Practices Framework issued by the Institute of Internal Auditors.

The Internal Auditor has unfettered access to all the Group's documents, records, properties and personnel, including access to the ARC. Its ultimate line of reporting is to the Chairman of the ARC and carries out its functions under the direction of the ARC and reports the findings and makes recommendations to the ARC accordingly. The Internal Auditor plans its audit work in consultation with, but independently of, the management, and its yearly plan is submitted to the ARC for review and approval prior to the beginning of the financial year.

The ARC is satisfied that the Internal Auditor possesses the relevant skill sets, is adequately qualified (given, *inter alia*, its adherence to International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors) and resourced, and has the appropriate standing in the Company to discharge its duties effectively.

Whistleblowing Policy

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

CORPORATE GOVERNANCE REPORT

IV. SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

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

Provision 11.1

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

Save for the 25th AGM in 2020 and 26th AGM in 2021 which were held by electronic means owing to the COVID-19 pandemic, the Company had always conducted physical general meetings and will provide for shareholders' physical attendance at the forthcoming AGM in October 2024.

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

CORPORATE GOVERNANCE REPORT

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

Provision 11.2

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

Provision 11.3

All the Directors, relevant management personnel, external auditor and professional advisors (if necessary) are present at the general meetings to address any questions that shareholders may have concerning the Group. All Directors attended the AGM and EGM held in October 2023 as disclosed under *Principle 1, Provision 1.5* of this report.

Provision 11.4

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

Provision 11.5

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

CORPORATE GOVERNANCE REPORT

Provision 11.6

In considering the level of dividend to be declared, the Board takes into account various factors, including but not limited to, the performance and financial position of the Company and/or the Group, its cash and reserves position, business prospects as well as projected levels of capital expenditure and other investment plans. The Company's objective is to balance cash return to shareholders and investment for sustainable growth while maintaining an efficient capital structure. In the past few years, the Company had consistently declared and paid dividends to its shareholders. The past 3 years' dividend payouts are set out in the section entitled "*Financial Highlights*" on page 2 of this Annual Report.

All dividend declarations or recommendations are announced on the SGX website and the Company's corporate website. In the event the Board decides not to declare or recommend any dividend or if there is a material variation in the dividend rate compared to the previous corresponding period, the Company discloses the reason(s) for such decision or variation in its financial statements announcements pursuant to Rule 704(24) of the SGX-ST Listing Manual. The Company is therefore of the view that it gives its shareholders a balanced and understandable assessment of its dividend policy through disclosures in its financial statements and other announcements, and accordingly its practices conform to the intent of Principle 11 of the Code.

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

Provisions 12.1, 12.2 and 12.3

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

The Company's policy on investor relations encourages an on-going exchange of views with shareholders. The Company's corporate website has a dedicated investor relations page where shareholders can contact the Company via an online submission form. Shareholders may also communicate with the Company through the Company's designated electronic mail address at ir@ellipsiz.com which is constantly monitored by the Company Secretary for any incoming mails so that the Board will be regularly updated of any feedback from shareholders or investors. Shareholders' questions received by electronic mail are promptly addressed in consultation with management and/or the Board and where appropriate, the Company may issue an announcement and publish the same on the SGX website and its corporate website in response to questions raised, so that information is available to all shareholders.

CORPORATE GOVERNANCE REPORT

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

V. MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

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

Provisions 13.1 and 13.2

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

The Company's strategy and key areas of focus in relation to the management of material stakeholder relationships in FY2024 are disclosed in the Sustainability Report on pages 19 to 56 of this Annual Report.

Provision 13.3

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

DEALINGS IN SECURITIES

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

CORPORATE GOVERNANCE REPORT

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

INTERESTED PERSON TRANSACTIONS ("IPTs") IN FY2024

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

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

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

Transaction with an interested person in FY2024 disclosed pursuant to Rule 907 of the SGX-ST Listing Manual is as follows:

Name of interested person	Nature of relationship	Aggregate value of all IPTs during FY2024 (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) ($)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) ($)
Iris Wu Hwee Tan – Consultancy fee	Director	102,000	Not applicable

The Company has not obtained a general mandate from its shareholders for IPTs pursuant to Rule 920 of the Listing Manual.

MATERIAL CONTRACTS

Save as disclosed in this Annual Report, there were no other material contracts or loans entered into by the Company or any of its subsidiaries involving the interests of the CEO, any Director or the controlling shareholders of the Company, either still subsisting at the end of FY2024 or if not then subsisting, entered into since the end of the previous financial year.

FINANCIAL STATEMENTS CONTENTS

DIRECTORS' STATEMENT

The Directors present their statement to the members together with the audited consolidated financial statements of Ellipsiz Ltd (the "Company") and its subsidiaries (collectively, the "Group"), and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2024.

Opinion of the Directors

In the opinion of the Directors:

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

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

Directors

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

David Ong Kim Huat	(Chairman)
Kenneth Ho Siew Keong	(Appointed on 1 August 2024)
Amos Leong Hong Kiat	
Clement Leow Wee Kia	
Iris Wu Hwee Tan	
Adrian Lum Wen-Hong	

Arrangements to enable Directors to acquire shares and debentures

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

DIRECTORS' STATEMENT

Directors' interests in shares and debentures

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

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

There was no change in the above-mentioned interest in the Company between the end of the financial year and 21 July 2024.

Except as disclosed in this statement, no Director who held office at the end of the financial year had an interest in the shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning or at the end of the financial year.

Audit and risk committee

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

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

DIRECTORS' STATEMENT

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

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

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

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

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

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

Auditor

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

On behalf of the Board of Directors,

David Ong Kim Huat
Director

Kenneth Ho Siew Keong
Director

23 September 2024

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ellipsiz Ltd (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Company as at 30 June 2024, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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

Impairment Assessment of Goodwill

As at 30 June 2024, the Group had $15,388,000 of goodwill, which represented 12.2% of its total assets in the consolidated statement of financial position.

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

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

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

Valuation of Investment Property

As at 30 June 2024, the carrying value of the Group's investment property, which was stated at fair value, amounted to $22,104,000, representing 17.5% of the Group's total assets in the consolidated statement of financial position. The fair value was determined based on valuation carried out by an independent professional valuer. Other than the magnitude, the valuation of the investment property was significant to our audit as the valuation techniques involved assumptions such as the price of comparable properties.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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

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

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

– 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.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Tan Soon Seng.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
23 September 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

		Group	
	Note	2024 $'000	2023 $'000
Revenue	4	55,063	59,143
Cost of revenue		(43,503)	(47,475)
Gross profit		11,560	11,668
Other income	5	1,428	1,079
Fair value gain on investment property		254	430
Distribution expenses		(4,069)	(3,772)
Administrative expenses		(8,770)	(9,102)
Impairment loss on goodwill	11	(5,783)	–
Impairment loss on intangible assets	11	(524)	–
Impairment loss on right-of-use assets	12	(425)	–
Impairment loss on trade and other receivables, net		(290)	(33)
Other expenses	5	(2)	(323)
Results from operating activities	5	(6,621)	(53)
Finance income	6	1,625	1,249
Finance costs		(50)	(34)
Share of results of a joint venture, net of tax	14	(12)	(47)
(Loss)/Profit before tax		(5,058)	1,115
Tax expense	7	(424)	(417)
(Loss)/Profit for the year		(5,482)	698
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss, net of tax			
Exchange differences arising from translation of financial statements of foreign operations		(2,165)	(1,700)
Item that will not be reclassified to profit or loss, net of tax			
Net change in fair value of financial assets at fair value through other comprehensive income		(700)	(590)
Total other comprehensive income for the year, net of tax		(2,865)	(2,290)
Total comprehensive income for the year		(8,347)	(1,592)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	Group 2024 $'000	Group 2023 $'000
(Loss)/Profit attributable to:			
Owners of the Company		(3,841)	2,048
Non-controlling interests		(1,641)	(1,350)
(Loss)/Profit for the year		(5,482)	698
Total comprehensive income attributable to:			
Owners of the Company		(6,200)	(26)
Non-controlling interests		(2,147)	(1,566)
Total comprehensive income for the year		(8,347)	(1,592)
(Loss)/Earnings per share			
– Basic and Diluted (cents)	8	(2.31)	1.23

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

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Non-current assets					
Plant and equipment	9	2,327	2,367	10	11
Investment property	10	22,104	23,855	–	–
Intangible assets and goodwill	11	15,670	22,190	55	73
Right-of-use assets	12	6,023	6,659	–	–
Subsidiaries	13	–	–	44,045	46,243
Joint venture	14	–	72	–	–
Financial assets	15	9,430	11,176	7,543	8,143
Amounts due from related parties	19	–	–	13,993	15,529
Deferred tax assets	16	14	21	–	–
		55,568	66,340	65,646	69,999
Current assets					
Inventories	17	2,939	4,567	–	–
Trade and other receivables	18	12,589	14,065	180	127
Amounts due from related parties	19	6	356	2,452	1,307
Cash and cash equivalents	20	54,870	55,189	33,654	31,568
		70,404	74,177	36,286	33,002
Total assets		125,972	140,517	101,932	103,001
Equity attributable to owners of the Company					
Share capital	21	89,566	89,566	89,566	89,566
Treasury shares	21	(233)	(233)	(233)	(233)
Reserves	22	(16,815)	(14,456)	(1,564)	(864)
Retained earnings		26,785	32,288	11,860	12,168
		99,303	107,165	99,629	100,637
Non-controlling interests		10,435	12,558	–	–
Total equity		109,738	119,723	99,629	100,637
Non-current liabilities					
Lease liabilities	12	232	557	–	–
Provisions	24	42	174	–	–
Deferred tax liabilities	16	611	738	22	–
		885	1,469	22	–
Current liabilities					
Trade and other payables	23	12,404	16,224	861	1,194
Amounts due to related parties	19	1,537	1,739	1,156	1,159
Lease liabilities	12	690	375	–	–
Provisions	24	173	315	–	–
Income tax payable		545	672	264	11
		15,349	19,325	2,281	2,364
Total liabilities		16,234	20,794	2,303	2,364
Total equity and liabilities		125,972	140,517	101,932	103,001

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Group	Share capital $'000	Treasury shares $'000	Capital reserve $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Balance as at 1 July 2023	89,566	(233)	(11,648)	(864)	(1,944)	32,288	107,165	12,558	119,723
Total comprehensive income for the year									
Loss for the year	–	–	–	–	–	(3,841)	(3,841)	(1,641)	(5,482)
Other comprehensive income									
Exchange differences arising from translation of financial statements of foreign operations	–	–	–	–	(1,659)	–	(1,659)	(506)	(2,165)
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	–	(700)	–	–	(700)	–	(700)
Total other comprehensive income, net of tax	–	–	–	(700)	(1,659)	–	(2,359)	(506)	(2,865)
Total comprehensive income for the year	–	–	–	(700)	(1,659)	(3,841)	(6,200)	(2,147)	(8,347)

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Group	Share capital $'000	Treasury shares $'000	Capital reserve $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Final dividend of 1.00 cent per share in respect of 2023	–	–	–	–	–	(1,662)	(1,662)	–	(1,662)
Total contributions by and distributions to owners	–	–	–	–	–	(1,662)	(1,662)	–	(1,662)
Change in ownership interest in a subsidiary									
Capital injection by a non-controlling interest	–	–	–	–	–	–	–	24	24
Total change in ownership interest in a subsidiary	–	–	–	–	–	–	–	24	24
Total transactions with owners	–	–	–	–	–	(1,662)	(1,662)	24	(1,638)
Balance as at 30 June 2024	89,566	(233)	(11,648)	(1,564)	(3,603)	26,785	99,303	10,435	109,738

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Company	Share capital $'000	Treasury shares $'000	Fair value reserve $'000	Retained earnings $'000	Total equity $'000
Balance as at 1 July 2023	89,566	(233)	(864)	12,168	100,637
Total comprehensive income for the year					
Profit for the year	–	–	–	1,354	1,354
Other comprehensive income					
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	(700)	–	(700)
Total other comprehensive income, net of tax	–	–	(700)	–	(700)
Total comprehensive income for the year	–	–	(700)	1,354	654
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Final dividend of 1.00 cent per share in respect of 2023	–	–	–	(1,662)	(1,662)
Total contributions by and distributions to owners	–	–	–	(1,662)	(1,662)
Total transactions with owners	–	–	–	(1,662)	(1,662)
Balance as at 30 June 2024	89,566	(233)	(1,564)	11,860	99,629

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	Group 2024 $'000	Group 2023 $'000
Cash flows from operating activities			
(Loss)/Profit for the year		(5,482)	698
Adjustments for:			
Amortisation of intangible assets	11	216	220
Depreciation of plant and equipment	9	493	454
Depreciation of right-of-use assets	12	938	784
Dividend income from financial assets	5	(432)	(453)
Fair value gain on investment property	10	(254)	(430)
Fair value (gain)/loss on financial assets at fair value through profit or loss	5	(704)	323
Finance income	6	(1,625)	(1,249)
Finance costs		50	34
Gain on disposal of plant and equipment, net	5	(2)	(22)
Impairment loss on goodwill	11	5,783	–
Impairment loss on intangible assets	11	524	–
Impairment loss on right-of-use assets	12	425	–
Impairment loss on trade and other receivables, net		290	33
Inventories written down	17	200	81
Loss on termination of a lease	12	2	–
Provision for onerous contracts	24	141	236
Provision written back	24	(75)	–
Share of results of a joint venture, net of tax	14	12	47
Tax expense	7	424	417
Operating cash flows before working capital changes		924	1,173
Changes in:			
Amounts due from/(to) related parties		58	(179)
Inventories		1,151	(191)
Trade and other receivables		1,215	410
Trade and other payables		(4,121)	(1,740)
Cash used in operations		(773)	(527)
Interest received		1,573	1,152
Tax paid		(649)	(254)
Net cash generated from operating activities		151	371

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	Group 2024 $'000	Group 2023 $'000
Cash flows from investing activities			
Dividends received from financial assets	5	432	453
Acquisition of additional interest in a subsidiary	13	–	(4,000)
Leasehold land and ancillary costs	12	–	(5,929)
Purchase of intangible assets	11	(3)	(27)
Purchase of plant and equipment		(217)	(862)
Purchase of financial assets		(1,977)	(902)
Proceeds from government grants	11	–	70
Proceeds from dissolution of a joint venture		60	–
Proceeds from disposal of plant and equipment		2	25
Proceeds from disposal of financial assets		3,727	1,709
Net cash generated from/(used in) investing activities		2,024	(9,463)
Cash flows from financing activities			
Capital injections by non-controlling interests		24	5,426
Dividend paid	31	(1,662)	(1,666)
Proceeds from bank borrowing	12	–	153
Repayment of bank borrowing	12	–	(153)
Purchase of treasury shares		–	(107)
Payment of principal portion of lease liabilities		(732)	(594)
Interest paid		(50)	(34)
Net cash (used in)/generated from financing activities		(2,420)	3,025
Net decrease in cash and cash equivalents		(245)	(6,067)
Cash and cash equivalents at beginning of year		55,189	61,681
Effects on exchange rate fluctuations on cash and cash equivalents		(74)	(425)
Cash and cash equivalents at end of year	20	54,870	55,189

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

1. CORPORATE INFORMATION

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

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

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

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

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 July 2023. The adoption of these standards did not have any material effect on the financial performance or financial position of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.3 Standards issued but not yet effective

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

Description	***Effective for annual periods beginning on or after***
Amendments to SFRS(I) 1-1 *Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to SFRS(I) 1-1 *Presentation of Financial Statements: Non-current Liabilities with Covenants*	1 January 2024
Amendments to SFRS(I) 16 *Leases: Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to SFRS(I) 1-7 *Statement of Cash Flows and SFRS(I) 7 Financial Instruments: Disclosures: Supplier Finance Arrangements*	1 January 2024
Amendments to SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*	1 January 2025
Amendments to SFRS(I) 10 *Consolidated Financial Statements and* SFRS(I) 1-28 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.4 Basis of consolidation and business combinations

(a) *Subsidiaries*

(i) *Basis of consolidation*

Subsidiaries are investees controlled by the Group. The Group controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control is obtained until the date that control ceases.

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

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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

(a) *Subsidiaries (Cont'd)*

(ii) *Acquisitions and goodwill*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

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

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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

(a) *Subsidiaries (Cont'd)*

(ii) *Acquisitions and goodwill (Cont'd)*

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

(iii) *Disposals*

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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

(b) *Transactions with non-controlling interests*

Non-controlling interest represents the equity in a subsidiary not attributable, directly or indirectly, to owners of the Company.

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

(c) *Joint ventures (equity-accounted investees)*

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

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

(i) *Acquisitions and goodwill*

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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

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

(ii) *Equity method of accounting*

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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

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

(iii) *Disposals*

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

2.5 Foreign currencies

The financial statements are presented in Singapore dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the dates when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.5 Foreign currencies (Cont'd)

(b) ***Consolidated financial statements***

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

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

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

2.6 Plant and equipment

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.6 Plant and equipment (Cont'd)

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

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

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

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

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

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

2.7 Investment properties

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.7 Investment properties (Cont'd)

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

2.8 Intangible assets

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.8 Intangible assets (Cont'd)

(a) *Computer software*

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

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

(b) *Customer relationships*

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

2.9 Impairment of non-financial assets

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value-in-use ("VIU") and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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

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

2.10 Financial instruments

(a) ***Financial assets***

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instruments.

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

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

Subsequent measurement

Investments in debt instruments

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.10 Financial instruments (Cont'd)

(a) *Financial assets (Cont'd)*

Subsequent measurement (Cont'd)

Investments in debt instruments (Cont'd)

(i) *Amortised cost*

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

(ii) *Fair value through profit or loss*

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

Investments in equity instruments

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

Derecognition

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.10 Financial instruments (Cont'd)

(a) *Financial assets (Cont'd)*

<u>Derecognition (Cont'd)</u>

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

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

(b) *Financial liabilities*

<u>Initial recognition and measurement</u>

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities that are not carried at FVPL, directly attributable transaction costs.

<u>Subsequent measurement</u>

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

<u>Derecognition</u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.10 Financial instruments (Cont'd)

(c) *Offsetting of financial instruments*

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

2.11 Impairment of financial assets

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

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

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect the debtors' ability to pay.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.11 Impairment of financial assets (Cont'd)

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

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

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

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

2.12 Cash and cash equivalents

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

2.13 Inventories

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

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

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

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.14 Leases

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

As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the rights to use the underlying leased assets.

Right-of-use assets

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

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

If ownership of a leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment assessment as set out in Note 2.9.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.14 Leases (Cont'd)

As lessee (Cont'd)

Lease liabilities

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

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset or to terminate the lease.

Short-term leases and leases of low-value assets

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.15 Provisions

(a) *General*

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

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

(b) *Restoration costs*

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

(c) *Onerous contracts*

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.16 Government grants

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

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

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

2.17 Employee benefits

(a) *Defined contribution plans*

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

(b) *Employee leave entitlements*

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

(c) *Short-term benefits*

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.17 Employee benefits (Cont'd)

(d) *Termination benefits*

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

2.18 Share capital

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

2.19 Treasury shares

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.20 Revenue

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

(a) ***Sale of goods***

At a point in time

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

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

Over time

The Group has certain contracts:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.20 Revenue (Cont'd)

(b) *Service income*

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

(c) *Commission income*

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

2.21 Taxes

(a) *Current income tax*

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

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.21 Taxes (Cont'd)

(b) *Deferred tax (Cont'd)*

Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

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

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

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

– in respect of deductible temporary differences associated with investments in subsidiaries and joint ventures, where deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.21 Taxes (Cont'd)

(b) *Deferred tax (Cont'd)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

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

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

(c) *Sales tax*

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.22 Financial guarantees

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

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

The Company had issued corporate guarantees to banks for bank borrowings of a subsidiary (2023: a subsidiary and a joint venture). These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary or joint venture fails to make principal or interest payments when due in accordance with the terms of their borrowings. As at the end of the reporting period, the subsidiary (2023: a subsidiary and a joint venture) did not have any outstanding bank borrowings.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

3.1 Judgement made in applying accounting policies

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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

3.2 Key sources of estimation uncertainty

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

(a) ***Impairment assessment of goodwill***

Goodwill related to Distribution and Services Solutions ("DSS"), Automated Precision System Solutions ("APSS") and Egg Production and Distribution ("EPD") is assessed for impairment annually or whenever there is indication of impairment. Judgements are used in estimating the recoverable amounts of the CGUs to which the goodwill is allocated.

– For DSS and APSS, the forecasted order books and margins assumed in the VIU calculations are subject to estimation uncertainties, which may result in significant risks of material adjustments in future periods, particularly given the macroeconomic and geopolitical forces impacting the semiconductor industry. Further details on the assumptions are included in Note 11 to the financial statements.

– For EPD, the forecasted eggs production volumes, margins, and capital expenditure assumed in the VIU calculation are subject to estimation uncertainties, which could lead to significant adjustments in future periods, considering the current macroeconomic and industry-specific factors affecting the poultry sector. Further details on the assumptions are provided in Note 11 to the financial statements.

As at 30 June 2024, impairment indicators for APSS and EPD were identified owing to the declining financial performance of APSS and significant increase in development costs of EPD. These indicators had resulted in lower recoverable amounts being derived from the discounted cash flow projections carried out by management compared to the carrying values of these CGUs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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

3.2 Key sources of estimation uncertainty (Cont'd)

(a) ***Impairment assessment of goodwill (Cont'd)***

According to SFRS(I) 36, impairment loss for a CGU is allocated first to goodwill and thereafter on a pro rata basis against other assets within the scope of this standard. This had led to:

(i) full impairment on goodwill of $1,600,000 (2023: Nil) and $4,183,000 (2023: Nil) for APSS and EPD respectively as disclosed in Note 11 to the financial statements;

(ii) impairment loss on customer relationships of $524,000 (2023: Nil) for APSS as disclosed in Note 11 to the financial statements; and

(iii) impairment loss on right-of-use assets in respect of leasehold land of $425,000 (2023: Nil) for EPD as disclosed in Note 12 to the financial statements.

The impairment indicator for APSS above had further resulted in a decline in the value of the subsidiary, Axis-Tec Pte. Ltd., which in turn necessitated an impairment of the Company's investment in this subsidiary which is disclosed in Note 13 to the financial statements.

(b) ***Revaluation of investment property***

The Group carries its investment property at fair value with changes in fair value being recognised in profit or loss. The Group engaged an independent professional valuer to assess the fair value as at the reporting date. In determining the fair value, the valuer had used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of the investment property are disclosed in Note 28(c) to the financial statements. The carrying amount of the investment property as at 30 June 2024 was $22,104,000 (2023: $23,855,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

4. REVENUE

	Group	
	2024	**2023**
	$'000	**$'000**
Sale of goods	51,777	55,900
Service income	3,129	3,187
Commission income	157	56
	55,063	59,143
Timing of revenue recognition		
At a point in time	47,411	55,673
Over time	7,652	3,470
	55,063	59,143

Contract assets and contract liabilities

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

	Group		
			As at
	As at 30 June		**1 July**
	2024	**2023**	**2022**
	$'000	**$'000**	**$'000**
Contract assets (Note 18)	441	1,367	409
Contract liabilities (Note 23)	2,298	2,937	6,753

<u>Contract assets</u>

Contract assets are recorded when revenue recognised on a contract exceeds the billings made. Significant changes in contract assets relating to contract assets being reclassified to trade receivables (third parties) amounted to $1,190,000 (2023: $409,000).

<u>Contract liabilities</u>

Contract liabilities are recognised as revenue when the Group performs its obligations under the contracts. Revenue recognised that was included in the contract liabilities balance at the beginning of the financial year amounted to $2,657,000 (2023: $6,025,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

5. RESULTS FROM OPERATING ACTIVITIES

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

	Group	
	2024	**2023**
	$'000	**$'000**
Other income		
Dividend income from financial assets	432	453
Exchange gain, net	91	344
Fair value gain on financial assets at fair value through profit or loss	704	–
Gain on disposal of plant and equipment, net	2	22
Government grants and subsidies	59	222
Provision written back	75	–
Sundry income	65	38
	1,428	1,079
Employee benefits expenses		
Salaries and bonuses	9,727	10,434
Defined contribution plans	984	1,063
Other short-term benefits	914	944
	11,625	12,441
Other expenses		
Fair value loss on financial assets at fair value through profit or loss	–	323
Loss on termination of a lease	2	–
	2	323
Audit fees paid/payable to:		
– auditor of the Company	189	216
– other auditors	12	12
Non-audit fees paid/payable to:		
– auditor of the Company	32	21
– other auditors	1	1
Amortisation of intangible assets (Note 11)	216	220
Depreciation of plant and equipment (Note 9)	493	454
Depreciation of right-of-use assets (Note 12)	938	784
Inventories written down (Note 17)	200	81
Operating lease expenses	105	170
Provision for onerous contracts (Note 24)	141	236

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

6. FINANCE INCOME

	Group	
	2024 $'000	2023 $'000
Interest income from financial institutions	1,625	1,249

7. TAX EXPENSE

Major components of tax expense

The major components of tax expense for the financial years ended 30 June 2024 and 30 June 2023 were:

	Group	
	2024 $'000	2023 $'000
Current tax expense		
Current year	569	614
Withholding tax	3	10
Over provision in respect of prior years	(76)	(153)
	496	471
Deferred tax credit		
Origination and reversal of temporary differences	(72)	(54)
Tax expense recognised in profit or loss	424	417

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

7. TAX EXPENSE (CONT'D)

Relationship between tax expense and (loss)/profit before tax

A reconciliation between tax expense and the product of (loss)/profit before tax multiplied by the applicable corporate tax rate for the financial years ended 30 June 2024 and 30 June 2023 was as follows:

	Group	
	2024	**2023**
	$'000	**$'000**
(Loss)/Profit before tax	(5,058)	1,115
Income tax at the corporate tax rate of 17%	(860)	190
Effect of different tax rates in foreign jurisdictions	45	18
Effect of results of equity-accounted investees presented net of tax	2	8
Income not subject to tax	(391)	(260)
Non-deductible expenses	1,385	605
Withholding tax	3	10
Deferred tax assets not recognised	469	293
Utilisation of previously unrecognised deferred tax assets	(153)	(294)
Over provision in respect of prior years	(76)	(153)
Tax expense recognised in profit or loss	424	417

Tax consequences of proposed dividend

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

8. (LOSS)/EARNINGS PER SHARE

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

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

The following table reflects the (loss)/profit and share data used in the computation of basic and diluted (loss)/earnings per share for the years ended 30 June 2024 and 30 June 2023:

	Group	
	2024	**2023**
	$'000	**$'000**
(Loss)/Profit for the year attributable to owners of the Company	(3,841)	2,048
Weighted average number of ordinary shares ('000)	166,214	166,595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

9. PLANT AND EQUIPMENT

Group	Leasehold improvements $'000	Furniture and fittings $'000	Office equipment $'000	Computers $'000	Motor vehicles $'000	Plant and machinery $'000	Assets under construction $'000	Total $'000
Cost								
At 1 July 2022	571	170	113	455	1,264	440	683	3,696
Additions	88	–	–	47	–	1	726	862
Disposals	–	–	(6)	(37)	–	(21)	–	(64)
Write-offs	–	–	(6)	(69)	–	–	–	(75)
Exchange differences	(3)	–	–	(2)	–	(15)	–	(20)
At 30 June 2023 and 1 July 2023	656	170	101	394	1,264	405	1,409	4,399
Additions	98	–	16	53	–	24	46	237
Disposals	–	–	(6)	–	–	–	–	(6)
Write-offs	(85)	(5)	–	–	–	–	(1)	(91)
Reclassifications*	–	–	–	–	–	242	(16)	226
Exchange differences	(12)	(2)	(4)	(17)	–	(16)	–	(51)
At 30 June 2024	657	163	107	430	1,264	655	1,438	4,714
Accumulated depreciation								
At 1 July 2022	412	142	92	397	540	135	–	1,718
Charge for the year	71	18	7	38	235	85	–	454
Disposals	–	–	(5)	(35)	–	(21)	–	(61)
Write-offs	–	–	(6)	(69)	–	–	–	(75)
Exchange differences	(1)	–	(1)	(1)	–	(1)	–	(4)
At 30 June 2023 and 1 July 2023	482	160	87	330	775	198	–	2,032
Charge for the year	101	10	7	40	235	100	–	493
Disposals	–	–	(6)	–	–	–	–	(6)
Write-offs	(85)	(5)	–	–	–	–	–	(90)
Exchange differences	(12)	(3)	(2)	(16)	–	(9)	–	(42)
At 30 June 2024	486	162	86	354	1,010	289	–	2,387
Carrying amounts								
At 30 June 2023	174	10	14	64	489	207	1,409	2,367
At 30 June 2024	171	1	21	76	254	366	1,438	2,327

* Includes an asset of $226,000 reclassified from inventories.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

9. PLANT AND EQUIPMENT (CONT'D)

Company	Furniture and fittings $'000	Office equipment $'000	Computers $'000	Total $'000
Cost				
At 1 July 2022	12	4	37	53
Additions	–	–	11	11
At 30 June 2023 and 1 July 2023	12	4	48	64
Additions	–	–	4	4
At 30 June 2024	12	4	52	68
Accumulated depreciation				
At 1 July 2022	12	4	33	49
Charge for the year	–	–	4	4
At 30 June 2023 and 1 July 2023	12	4	37	53
Charge for the year	–	–	5	5
At 30 June 2024	12	4	42	58
Carrying amounts				
At 30 June 2023	–	–	11	11
At 30 June 2024	–	–	10	10

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

	Group 2024 $'000	Group 2023 $'000
Cost of revenue	111	98
Distribution expenses	41	24
Administrative expenses	341	332
	493	454

10. INVESTMENT PROPERTY

	Group	
	2024	**2023**
	$'000	**$'000**
Beginning of financial year	23,855	24,202
Gain from fair value adjustment recognised in profit or loss	254	430
Exchange differences	(2,005)	(777)
End of financial year	22,104	23,855

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

Alas Hak is an unregistered right over the land. This right-of-use asset arises as a result of renouncement of right by previous holders of the plots of land covered by Alas Hak.

Valuation of investment property

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

11. INTANGIBLE ASSETS AND GOODWILL

Group	Computer software $'000	Customer relationships $'000	Goodwill $'000	Total $'000
Cost				
At 1 July 2022	668	1,420	21,380	23,468
Additions	27	–	–	27
Government grants	(70)	–	–	(70)
Exchange differences	(1)	–	(2)	(3)
At 30 June 2023 and 1 July 2023	624	1,420	21,378	23,422
Additions	3	–	–	3
Write-offs upon dissolution of a subsidiary company	–	–	(206)	(206)
Exchange differences	(4)	–	(1)	(5)
At 30 June 2024	623	1,420	21,171	23,214
Accumulated amortisation and impairment				
At 1 July 2022	380	427	206	1,013
Charge for the year	62	158	–	220
Exchange differences	(1)	–	–	(1)
At 30 June 2023 and 1 July 2023	441	585	206	1,232
Charge for the year	58	158	–	216
Impairment losses	–	524	5,783	6,307
Write-offs upon dissolution of a subsidiary company	–	–	(206)	(206)
Exchange differences	(5)	–	–	(5)
At 30 June 2024	494	1,267	5,783	7,544
Carrying amounts				
At 30 June 2023	183	835	21,172	22,190
At 30 June 2024	129	153	15,388	15,670

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

11. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Company	**Computer software $'000**
Cost	
At 1 July 2022	101
Additions	22
Government grants	(30)
At 30 June 2023, 1 July 2023 and 30 June 2024	93
Accumulated amortisation	
At 1 July 2022	–
Charge for the year	20
At 30 June 2023 and 1 July 2023	20
Charge for the year	18
At 30 June 2024	38
Carrying amounts	
At 30 June 2023	73
At 30 June 2024	55

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

	Group	
	2024 $'000	**2023 $'000**
Cost of revenue	15	5
Distribution expenses	3	–
Administrative expenses	198	215
	216	220

The remaining amortisation periods are as follows:

	Group Number of years	
	2024	**2023**
Computer software	1 to 4	1 to 5
Customer relationships	4	5

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

11. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Goodwill impairment assessment

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

	Group	
	2024 $'000	2023 $'000
Distribution and Services Solutions ("DSS")	15,388	15,389
Automated Precision System Solutions ("APSS")	–	1,600
Egg Production and Distribution ("EPD")	–	4,183
	15,388	21,172

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

At the reporting date, following the goodwill impairment assessment performed by management, the Group recorded impairment losses on goodwill for APSS and EPD of $1,600,000 (2023: Nil) and $4,183,000 (2023: Nil) respectively.

Key assumptions used for VIU calculations

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

Group	Cash flow projection period	Average revenue growth rate %	Post-tax discount rate %	Terminal growth rate %
2024				
DSS	Five-year	3.0	12.0	1.3
APSS	Five-year	9.2	14.0	2.0
EPD	Ten-year	3.1	12.3	1.8
2023				
DSS	Five-year	3.0	12.0	1.3
APSS	Five-year	10.7	14.0	2.0
EPD	Ten-year	7.4	12.0	1.3

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

11. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Key assumptions used for VIU calculations (Cont'd)

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

Revenue growth rates

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

Post-tax discount rates

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

Terminal growth rates

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

Sensitivity to changes in assumptions

DSS

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

APSS and EPD

Management believes that reasonably possible changes in any of the above key assumptions could result in the carrying value materially exceeding the recoverable amount of each CGU. With goodwill for both CGUs already being fully impaired during the financial year, this could potentially lead to further impairments of the other assets within each CGU.

An increase or a decrease of 0.70% in average revenue growth rate of APSS would result in higher and lower estimated recoverable amounts by $511,000 and $501,000 respectively. A decrease or an increase of 2.00% in post-tax discount tax of APSS would result in higher and lower estimated recoverable amounts by $545,000 and $376,000 respectively.

An increase or a decrease of 0.02% in average revenue growth rate of EPD would result in higher and lower estimated recoverable amounts by $452,000. A decrease or an increase of 0.03% in post-tax discount tax of EPD would result in higher and lower estimated recoverable amounts by $432,000 and $429,000 respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

12. LEASES

As lessee

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

The Group also has leases of office premises, warehouse and motor vehicles with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the short-term lease and lease of low-value assets recognition exemptions for these leases.

(a) *Right-of-use assets*

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

Group	Leasehold land $'000	Office premises $'000	Warehouse $'000	Office equipment $'000	Others $'000	Total $'000
At 1 July 2022	–	763	91	63	76	993
Additions	5,929	522	–	–	–	6,451
Depreciation charge for the year	(189)	(425)	(91)	(14)	(65)	(784)
Lease modification	–	12	–	–	–	12
Exchange differences	–	(12)	–	(1)	–	(13)
At 30 June 2023 and 1 July 2023	5,740	860	–	48	11	6,659
Additions	–	82	475	–	194	751
Depreciation charge for the year	(198)	(483)	(178)	(14)	(65)	(938)
Impairment loss*	(425)	–	–	–	–	(425)
Lease termination	–	(17)	–	–	–	(17)
Exchange differences	–	(7)	–	–	–	(7)
At 30 June 2024	5,117	435	297	34	140	6,023

* The Group tested the CGU for impairment and recognised an impairment loss of $425,000 with respect to right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

12. LEASES (CONT'D)

As lessee (Cont'd)

(b) *Lease liabilities*

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

	Group	
	2024	**2023**
	$'000	**$'000**
Beginning of financial year	932	1,005
Additions	747	522
Accretion of interest	50	33
Payments	(782)	(627)
Lease modification	–	12
Lease termination	(17)	–
Exchange differences	(8)	(13)
End of financial year	922	932
Represented by:		
Current	690	375
Non-current	232	557
Total lease liabilities	922	932

The maturity analysis of lease liabilities is as follows:

	Group	
	2024	**2023**
	$'000	**$'000**
Within one year	717	524
One to five years	237	441
Total undiscounted lease liabilities	954	965

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

12. LEASES (CONT'D)

As lessee (Cont'd)

(c) *Amounts recognised in profit or loss*

	Group 2024 $'000	Group 2023 $'000
Depreciation of right-of-use assets	938	784
Impairment loss on right-of-use assets	425	–
Interest expense on lease liabilities	50	33
Loss on termination of a lease	2	–
Lease expenses not capitalised in lease liabilities:		
– Expenses relating to short-term leases	103	168
– Expenses relating to low-value assets	2	2
Total amounts recognised in profit or loss	1,520	987

(d) *Total cash outflows*

During the financial year, the Group's total cash outflows for leases (including short-term leases and low-value assets) amounted to $887,000 (2023: $797,000) and non-cash additions to right-of-use assets were $751,000 (2023: $522,000). In the previous financial year, there were cash additions to the right-of-use assets of $5,929,000 for leasehold land.

(e) *Extension options*

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and to align with the Group's business needs.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

12. LEASES (CONT'D)

As lessee (Cont'd)

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

	1 July 2023 $'000	Cash flows $'000	Additions $'000	Lease termination $'000	Exchange differences $'000	Others $'000	30 June 2024 $'000
Lease liabilities							
– Current	375	(732)	317	(17)	(4)	751	690
– Non-current	557	–	430	–	(4)	(751)	232
Total	932	(732)	747	(17)	(8)	–	922

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

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

1 Proceeds from bank borrowing of $153,000 was repaid within the same financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

13. SUBSIDIARIES

	Company	
	2024	2023
	$'000	$'000
Unquoted equity shares, at cost	47,274	48,119
Less: Impairment loss	(3,229)	(1,876)
	44,045	46,243

The movements in impairment loss are as follows:

	Company	
	2024	2023
	$'000	$'000
Beginning of financial year	1,876	917
Charge for the year	2,270	959
Write-offs	(917)	–
End of financial year	3,229	1,876

Impairment assessment for investments in subsidiaries

During the financial year, the Company performed impairment assessments for its investments in certain subsidiaries due to impairment indicators noted, such as, declining financial performance and adverse market conditions. Impairment losses of $2,270,000 (2023: $361,000) and Nil (2023: $598,000) were recognised for the Company's investments in Axis-Tec Pte. Ltd. ("ATPL") and Ellipsiz Investments Pte. Ltd. ("EIPL") respectively.

The recoverable amount for ATPL was derived from discounted cash flow projections based on financial forecasts approved by management. The key assumptions for the VIU calculation comprised the revenue growth rate, terminal growth rate and the post-tax discount rate as disclosed in Note 11 to the financial statements. The recoverable amount of ATPL was determined to be $978,000 (2023: $3,248,000) compared to the carrying amount of $3,248,000 (2023: $3,609,000).

In the previous financial year, the recoverable amount for EIPL was based on the net assets approach as in management's opinion, the net assets value was representative of the recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

13. SUBSIDIARIES (CONT'D)

(a) *Composition of the Group*

Details of significant subsidiaries are as follows:

Name of subsidiary	Principal activities	Principal place of business/ Country of incorporation	Proportion of ownership interest	
			2024	2023
			%	%
Held by the Company				
Ellipsiz DSS Pte. Ltd.[(1)]	Provision of solutions for in-circuit and functional testing, distribution and trading of scientific instruments and electronic equipment, provision of related technical services and support, and trading of consumable products to hospitals, pharmaceutical, electronic and food processing industries, commission agent and provision of management services	Singapore	100	100
iNETest Resources Pte. Ltd.[(1)]	Investment holding	Singapore	100	100
Axis-Tec Pte. Ltd.[(1)]	Provision of customised systems and solutions for test automation, high precision automated assembly process for fibre and lens, and full automated wafer level testing	Singapore	51	51
Ellipsiz Investments Pte. Ltd.[(1)]	Investment holding	Singapore	100	100
Ellipsiz Agro Investments Pte. Ltd.[(1)]	Investment holding	Singapore	100	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

13. SUBSIDIARIES (CONT'D)

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

Name of subsidiary	Principal activities	Principal place of business/ Country of incorporation	Proportion of ownership interest 2024 %	2023 %
Held through iNETest Resources Pte. Ltd.				
Ellipsiz iNETest (Suzhou) Co., Ltd.[3]	Provision of solutions for in-circuit and functional testing	China	100	100
Ellipsiz iNETest (Shanghai) Co., Ltd.[3]	Provision of solutions for in-circuit and functional testing	China	100	100
Ellipsiz iNETest Co., Ltd.[2]	Sales and service support for semiconductor assembly and electronics manufacturing testing products	Taiwan	100	100
iNETest Malaysia Sdn.Bhd.[3]	Provision of solutions for in-circuit and functional testing, sales and marketing of scientific and industrial products, provision of sales, engineering and service support, and trading and distribution of equipment and facility works	Malaysia	100	100
Held through Axis-Tec Pte. Ltd.				
Axis2Tec Sdn. Bhd.[3]	Provision of engineering services	Malaysia	51	51
Held through Ellipsiz Investments Pte. Ltd.				
Cyan Bay Pte. Ltd.[1]	Investment holding	Singapore	100	100
Held through Cyan Bay Pte. Ltd.				
PT Super Makmur Sejahtera[3][4]	Property investment and development	Indonesia	75	75

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

13. SUBSIDIARIES (CONT'D)

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

Name of subsidiary	Principal activities	Principal place of business/ Country of incorporation	Proportion of ownership interest 2024 %	2023 %
Held through Ellipsiz Agro Investments Pte. Ltd.				
ISE Capital Management Pte. Ltd.(1)	Investment holding	Singapore	80	80
Held through ISE Capital Management Pte. Ltd.				
ISE Foods Holdings Pte.Ltd.(1)(5)	Production and distribution of fresh eggs	Singapore	56	56

(1) Audited by Ernst & Young LLP, Singapore.
(2) Not required to be audited by laws of country of incorporation.
(3) Audited by other accounting firms.
(4) The remaining 25% interest is held by a related party.
(5) The development of the egg farm is at its planning stage.

In the engagement of auditing firms for the Company, its subsidiary companies and joint venture, the Company has complied with Rules 712 and 715 of the Listing Manual of the SGX-ST.

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

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

Name of subsidiary	Proportion of ownership interest held by NCI 2024 %	2023 %	Accumulated NCI at the end of reporting period 2024 $'000	2023 $'000
Axis-Tec Pte. Ltd. ("ATPL")	49	49	879	1,368
ISE Foods Holdings Pte. Ltd. ("IFH")	44	44	4,132	5,213
PT Super Makmur Sejahtera ("PT SMS")	25	25	5,314	5,724

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

13. SUBSIDIARIES (CONT'D)

(c) *Summarised financial information of subsidiaries with material NCI*

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

Summarised statements of financial position

	ATPL		IFH		PT SMS	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Current						
Assets	1,943	3,913	9,555	11,419	83	25
Liabilities	(866)	(2,117)	(379)	(390)	(377)	(389)
Net current assets/ (liabilities)	1,077	1,796	9,176	11,029	(294)	(364)
Non-current						
Assets	687	1,331	6,659	7,229	22,104	23,855
Liabilities	(26)	(391)	(81)	(47)	(553)	(596)
Net non-current assets	661	940	6,578	7,182	21,551	23,259
Net assets	1,738	2,736	15,754	18,211	21,257	22,895

Summarised statements of total comprehensive income

	ATPL		IFH		PT SMS	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Revenue	5,596	4,955	–	–	–	–
(Loss)/Profit before tax	(1,100)	(561)	(2,457)	(1,283)	221	397
Tax credit/(expense)	101	35	–	–	(6)	(11)
(Loss)/Profit for the year, representing total comprehensive income	(999)	(526)	(2,457)	(1,283)	215	386
Total comprehensive income allocated to NCI	(489)	(258)	(1,081)	(853)	54	97

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

13. SUBSIDIARIES (CONT'D)

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

Summarised statements of cash flows

	ATPL		IFH		PT SMS	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Net cash generated from/(used in) operating activities	102	(316)	(1,684)	(601)	(33)	(80)
Net cash used in investing activities	(14)	(33)	(46)	(6,745)	–	–
Net cash (used in)/ generated from financing activities	(132)	(128)	(145)	17,905	97	104

(d) *Acquisition of a subsidiary*

In the previous financial year, Ellipsiz Agro Investments Pte. Ltd. ("EAIPL"), a wholly-owned subsidiary of the Company, acquired an additional 40,000 ordinary shares in ISE Capital Management Pte. Ltd. ("ICM") representing 40% of the issued and paid-up share capital of ICM from its non-controlling interest for a consideration of $4,000,000. With this additional acquisition, EAIPL's shareholding interest in ICM increased to 80%.

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

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

14. JOINT VENTURE

	Group	
	2024 $'000	2023 $'000
Unquoted equity investment, carrying amount	–	72

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

14. JOINT VENTURE (CONT'D)

Details of the joint venture are as follows:

Name of joint venture	Principal activity	Principal place of business/ Country of incorporation	Proportion of ownership interest 2024 %	2023 %
Adell Solutions Pte. Ltd.[1]	Sale and purchase of used semiconductor equipment	Singapore	50	50

[1] This joint venture company was struck off on 4 September 2024.

The joint venture was not material to the Group.

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

	Group 2024 $'000	Group 2023 $'000
Share of joint venture's loss	(12)	(47)
Share of joint venture's total comprehensive income	(12)	(47)

15. FINANCIAL ASSETS

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Non-current assets				
At FVOCI:				
– Equity securities (quoted)	7,543	8,143	7,543	8,143
At FVPL:				
– Debt security (quoted)	–	1,414	–	–
– Debt security (unquoted)	1,887	1,619	–	–
	1,887	3,033	–	–
Total	9,430	11,176	7,543	8,143

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

15. FINANCIAL ASSETS (CONT'D)

Financial assets that are measured at FVOCI relate to investments in equity securities. The Group has elected to designate these financial assets at FVOCI as the Group intends to hold them for long-term investment purposes to generate returns and for capital appreciation. The dividend income recognised during the financial year for equity securities held at the end of the reporting period amounted to $385,000 (2023: $405,000).

There was no disposal of equity securities during the financial year. In the previous financial year, the Group had disposed of certain equity securities for $1,709,000 as part of its portfolio rebalancing strategy and the cumulative gain arising on disposals of $217,000 was reclassified from fair value reserve to retained earnings. The dividend income recognised in the previous financial year for equity securities derecognised amounted to $13,000.

16. DEFERRED TAX

Movements in deferred taxes (prior to offsetting of balances within the same tax jurisdiction) during the financial years were as follows:

Group	At 1 July 2023 $'000	Recognised in profit or loss $'000	Exchange differences $'000	At 30 June 2024 $'000
Deferred tax assets				
Lease liabilities	307	194	–	501
Provisions	33	107	(1)	139
Others	27	26	–	53
	367	327	(1)	693
Deferred tax liabilities				
Plant and equipment	(18)	(132)	–	(150)
Investment property	(596)	(6)	50	(552)
Intangible assets	(142)	110	–	(32)
Right-of-use assets	(297)	(190)	–	(487)
Others	(31)	(37)	(1)	(69)
	(1,084)	(255)	49	(1,290)
Deferred tax credit, net		72		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

16. DEFERRED TAX (CONT'D)

Group	At 1 July 2022 $'000	Recognised in profit or loss $'000	Exchange differences $'000	At 30 June 2023 $'000
Deferred tax assets				
Lease liabilities	556	(250)	1	307
Provisions	22	12	(1)	33
Others	27	–	–	27
	605	(238)	–	367
Deferred tax liabilities				
Plant and equipment	(24)	6	–	(18)
Investment property	(605)	(11)	20	(596)
Intangible assets	(168)	27	(1)	(142)
Right-of-use assets	(542)	245	–	(297)
Others	(57)	25	1	(31)
	(1,396)	292	20	(1,084)
Deferred tax credit, net		54		

Company	At 1 July 2022, 30 June 2023 and 1 July 2023 $'000	Recognised in profit or loss $'000	Exchange differences $'000	At 30 June 2024 $'000
Deferred tax assets				
Others	–	8	–	8
	–	8	–	8
Deferred tax liabilities				
Plant and equipment	–	(1)	–	(1)
Intangible assets	–	(6)	–	(6)
Others	–	(23)	–	(23)
	–	(30)	–	(30)
Deferred tax expense, net		(22)		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

16. DEFERRED TAX (CONT'D)

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

	Group		Company	
	2024 **$'000**	**2023** **$'000**	**2024** **$'000**	**2023** **$'000**
Deferred tax assets	14	21	–	–
Deferred tax liabilities	(611)	(738)	(22)	–
	(597)	(717)	(22)	–

The Group had not recognised deferred tax liability in respect of undistributed profits of overseas subsidiaries because the Group had determined that the undistributed earnings of these subsidiaries would not be distributed in the foreseeable future. The deferred tax liability was estimated to be $575,000 (2023: $581,000).

At the reporting date, the entities in the Group had unrecognised tax losses, deductible temporary differences and unutilised allowances of approximately $4,845,000 (2023: $2,068,000), Nil (2023: $291,000) and Nil (2023: $604,000) respectively which are available for offset against future taxable profits of the entities. No deferred tax assets have been recognised due to uncertainty of its recoverability except as disclosed in Note 7 to the financial statements. The availability and utilisation of these tax losses are subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislations of the countries in which the entities operate.

17. INVENTORIES

	Group	
	2024 **$'000**	**2023** **$'000**
Statements of financial position		
Work-in-progress	408	885
Finished goods	2,531	3,682
	2,939	4,567
Consolidated statement of comprehensive income		
Inventories recognised as an expense in cost of revenue	38,214	41,947
Inventories written down recognised as an expense in distribution expenses (Note 5)	200	81

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables (current)				
Third parties	9,264	10,666	–	–
Sales tax receivables	34	73	–	–
Contract assets	441	1,367	–	–
Unbilled receivables	509	248	–	–
Total trade receivables	10,248	12,354	–	–
Less: Impairment loss	(136)	(181)	–	–
Total trade receivables, net	10,112	12,173	–	–
Other receivables (current)				
Sundry receivables	557	510	137	91
Tax recoverables	124	92	–	–
Refundable deposits	889	404	–	–
Prepayments	997	976	43	36
Total other receivables	2,567	1,982	180	127
Less: Impairment loss	(90)	(90)	–	–
Total other receivables, net	2,477	1,892	180	127
Total trade and other receivables	12,589	14,065	180	127
Add: Cash and cash equivalents (Note 20)	54,870	55,189	33,654	31,568
Add: Amounts due from related parties (Note 19)	6	356	16,445	16,836
Less: Contract assets (Note 4)	(441)	(1,367)	–	–
Less: Sales tax receivables	(34)	(73)	–	–
Less: Tax recoverables	(124)	(92)	–	–
Less: Prepayments	(997)	(976)	(43)	(36)
Total financial assets carried at amortised cost	65,869	67,102	50,236	48,495

Trade receivables are unsecured, non-interest bearing and generally settled between 30 to 120 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

18. TRADE AND OTHER RECEIVABLES (CONT'D)

Expected credit losses ("ECLs")

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

	Group	
	2024	**2023**
	$'000	**$'000**
Movements in allowance:		
Beginning of financial year	271	238
Charge for the year	317	95
Reversal	(27)	(62)
Write-offs	(335)	–
End of financial year	226	271

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

19. AMOUNTS DUE FROM/(TO) RELATED PARTIES

	Group		Company	
	2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**
Amounts due from:				
– subsidiaries (trade)	–	–	196	–
– subsidiaries (non-trade)	–	–	2,256	1,307
– a joint venture (trade)	–	77	–	–
– a joint venture (non-trade)	–	272	–	–
– a related party (non-trade)	6	7	–	–
	6	356	2,452	1,307
Loans due from:				
– subsidiaries	–	–	13,993	15,529
	6	356	16,445	16,836
Represented by:				
Current	6	356	2,452	1,307
Non-current	–	–	13,993	15,529
	6	356	16,445	16,836
Amounts due to:				
– subsidiaries (non-trade)	–	–	(1,156)	(1,159)
– a joint venture (trade)	(72)	(72)	–	–
– related parties (non-trade)	(1,465)	(1,667)	–	–
	(1,537)	(1,739)	(1,156)	(1,159)
Represented by:				
Current	(1,537)	(1,739)	(1,156)	(1,159)

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

Loans due from subsidiaries

Loans due from subsidiaries are unsecured, non-interest bearing and repayable on demand except for an amount of $12,765,000 (2023: $12,740,000) which is unsecured, bears interest at rates ranging from 4.90% to 5.34% (2023: 3.04% to 5.42%) per annum and repayable upon maturity.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

20. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Cash at banks and in hand	12,006	9,610	317	626
Short-term deposits	42,864	45,579	33,337	30,942
	54,870	55,189	33,654	31,568

Cash at banks earns interest at floating deposit rates. Short-term deposits were placed with financial institutions for varying periods of between one month and twelve months (2023: two weeks and three months), depending on the cash requirements of the Group and the Company, earning interest ranging from 2.57% to 5.25% (2023: 0.10% to 4.64%) per annum and 2.57% to 5.10% (2023: 0.50% to 4.58%) per annum for the Group and the Company respectively.

21. SHARE CAPITAL AND TREASURY SHARES

	Company			
	No. of shares		Amount	
	Issued share capital '000	Treasury shares '000	Issued share capital $'000	Treasury shares $'000
At 1 July 2022, 30 June 2023, 1 July 2023 and 30 June 2024	167,128	(914)	89,566	(233)

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

Treasury shares

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

In the previous financial year, the Company acquired 454,400 of its ordinary shares for $107,000 by way of on-market purchases.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

22. RESERVES

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

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Capital reserve	(11,648)	(11,648)	–	–
Fair value reserve	(1,564)	(864)	(1,564)	(864)
Foreign currency translation reserve	(3,603)	(1,944)	–	–
	(16,815)	(14,456)	(1,564)	(864)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Trade payables (current)				
Third parties	4,619	6,809	–	–
Sales tax payables	136	202	31	19
Total trade payables	4,755	7,011	31	19
Other payables (current)				
Third parties	218	259	15	43
Accrued operating expenses	5,133	6,017	815	1,132
Contract liabilities	2,298	2,937	–	–
Total other payables	7,649	9,213	830	1,175
Total trade and other payables	12,404	16,224	861	1,194
Add: Amounts due to related parties (Note 19)	1,537	1,739	1,156	1,159
Add: Lease liabilities (Note 12(b))	922	932	–	–
Less: Contract liabilities (Note 4)	(2,298)	(2,937)	–	–
Less: Sales tax payables	(136)	(202)	(31)	(19)
Total financial liabilities carried at amortised cost	12,429	15,756	1,986	2,334

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

Contract liabilities primarily relate to advance consideration received from customers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

24. PROVISIONS

Group	Restoration costs $'000	Onerous contracts $'000	Others $'000	Total $'000
At 1 July 2022	179	81	35	295
Provisions made	–	236	–	236
Provisions utilised	–	(40)	–	(40)
Exchange differences	(2)	–	–	(2)
At 30 June 2023 and 1 July 2023	177	277	35	489
Provisions made	24	141	–	165
Provisions reversed	(40)	–	(35)	(75)
Provisions utilised	–	(362)	–	(362)
Exchange differences	(2)	–	–	(2)
At 30 June 2024	159	56	–	215

	Group 2024 $'000	Group 2023 $'000
Represented by:		
Current	173	315
Non-current	42	174
	215	489

Restoration costs

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

Onerous contracts

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

25. RELATED PARTY TRANSACTIONS

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

	Group	
	2024	2023
	$'000	$'000
Service fees received/receivable from a joint venture	12	25
Service fees paid/payable to related parties	(103)	(249)
Lease paid/payable to a related party	(76)	(29)
Consultancy fee paid/payable to a director of the Company	(102)	(96)

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

Compensation of key management personnel

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

	Group	
	2024	2023
	$'000	$'000
Directors' fees	297	327
Salaries and other short-term employee benefits	2,276	2,481
Defined contribution plans	90	81
	2,663	2,889

26. COMMITMENTS

Corporate guarantees

At the reporting date, the Company had provided corporate guarantees amounting to $4,786,000 (2023: $14,073,000) to banks for banking facilities made available to a subsidiary (2023: a subsidiary and a joint venture), of which there was no utilisation as at 30 June 2024 and 30 June 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

(a) *Credit risk*

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

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

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

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

NOTES TO THE FINANCIAL STATEMENTS

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

(a) *Credit risk (Cont'd)*

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

Trade and other receivables

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

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

Group	Not past due $'000	Past due 1 – 30 days $'000	Past due 31 – 120 days $'000	Past due 121 – 365 days $'000	More than one year $'000	Total $'000
2024						
Gross carrying amount	9,663	743	656	29	569	11,660
Allowance for ECLs	–	–	–	–	(226)	(226)
Total	9,663	743	656	29	343	11,434

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

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

(a) *Credit risk (Cont'd)*

Trade and other receivables (Cont'd)

Company	Not past due $'000	Past due 1 – 30 days $'000	Past due 31 – 120 days $'000	Past due 121 – 365 days $'000	More than one year $'000	Total $'000
2024						
Gross carrying amount	137	–	–	–	–	137
Allowance for ECLs	–	–	–	–	–	–
Total	137	–	–	–	–	137

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

Information on loss allowance movements of trade and other receivables is disclosed in Note 18 to the financial statements.

Credit risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

The Group's concentration of credit risk relating to trade and other receivables is limited due to its varied customer base. The Group's customers are globally dispersed, engaged in a wide spectrum of activities, and they transact in various end markets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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

(b) *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

At the reporting date, the Group had unutilised credit facilities of $4,686,000 (2023: $9,905,000).

Analysis of financial instruments by remaining contractual maturities

All the Group's and the Company's current financial assets used for managing liquidity risk and financial liabilities at the end of the reporting period based on the contractual repayment obligations have maturity profile of one year or less (2023: one year or less). The Group and the Company also have non-current financial assets that have maturity profile of more than one year but within five years (2023: more than one year but within five years).

(c) *Foreign currency risk*

The Group is exposed to currency risk on financial assets and financial liabilities denominated in foreign currencies. It also incurs currency risk on sales and purchases that are denominated in foreign currencies. The currencies giving rise to this risk are mainly US dollar, Singapore dollar and Chinese renminbi.

The Group primarily relies on natural hedging between its sales and purchases, and trade receivables and trade payables. Should the need arise, the Group hedges any further foreign currency exposure through close monitoring by management.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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

(c) *Foreign currency risk (Cont'd)*

Other than as disclosed elsewhere in the financial statements, the Group's and the Company's exposures to currency risk (before inter-company eliminations) were as follows:

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Financial assets				
– US dollar	1,887	1,619	–	–
Trade and other receivables				
– US dollar	6,534	6,100	3	–
Amounts due from related parties				
– US dollar	3,402	3,816	1,228	1,524
– Singapore dollar	8	3	–	–
	3,410	3,819	1,228	1,524
Cash and cash equivalents				
– US dollar	6,589	5,875	811	359
Trade and other payables				
– US dollar	(4,153)	(5,709)	–	–
– Singapore dollar	(219)	(317)	–	–
	(4,372)	(6,026)	–	–
Amounts due to related parties				
– US dollar	(3,461)	(3,695)	(1,156)	(1,159)
– Chinese renminbi	(3,098)	(3,098)	–	–
– Singapore dollar	(889)	(1,300)	–	–
	(7,448)	(8,093)	(1,156)	(1,159)
Net exposure	6,600	3,294	886	724

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

(c) *Foreign currency risk (Cont'd)*

Sensitivity analysis for foreign currency risk

It is estimated that the impact of a one percentage point strengthening or weakening of the above currencies against the functional currencies of the respective subsidiaries of the Group and the Company at the reporting date, with all other variables held constant, would be immaterial to the Group's and the Company's (loss)/profit before tax.

(d) *Market price risk*

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to market price risk arising from its investments in equity securities and debt securities. The market values of these securities are subject to fluctuations due to volatility of the equity markets.

The primary goal of the Group's investment strategy is to maximise investment returns so as to improve its overall return. The Group mitigates this risk through careful selection of its investment portfolio.

Sensitivity analysis for market price risk

If prices of equity securities and debt securities increased by 10% (2023: 10%) with all other variables held constant, the increase in equity would be:

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Equity	943	1,117	754	814

A 10% (2023: 10%) decrease in prices of the equity securities and debt securities would have had the equal but opposite effect on equity, on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

28. FAIR VALUE OF ASSETS AND LIABILITIES

(a) *Fair value hierarchy*

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There has been no transfer between Level 1 and Level 2 and no transfer into or out of Level 3 during the financial years ended 30 June 2024 and 30 June 2023.

(b) *Assets and liabilities measured at fair value*

Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2024				
Financial assets				
Investments at FVOCI	7,543	–	–	7,543
Investments at FVPL	–	–	1,887	1,887
Non-financial asset				
Investment property	–	–	22,104	22,104
	7,543	–	23,991	31,534
2023				
Financial assets				
Investments at FVOCI	8,143	–	–	8,143
Investments at FVPL	1,414	–	1,619	3,033
Non-financial asset				
Investment property	–	–	23,855	23,855
	9,557	–	25,474	35,031

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

28. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(b) *Assets and liabilities measured at fair value (Cont'd)*

Company	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2024				
Financial asset				
Investments at FVOCI	7,543	–	–	7,543
2023				
Financial asset				
Investments at FVOCI	8,143	–	–	8,143

The fair values of investments at FVOCI and FVPL categorised under Level 1 of the fair value hierarchy were based on respective last quoted market prices at the reporting date.

(c) *Level 3 fair value measurements*

The following table presents the valuation techniques and key inputs used to determine the fair values of investments at FVPL and investment property categorised under Level 3 of the fair value hierarchy.

Description	Fair value at 30 June 2024 $'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Investments – Debt security (unquoted)	1,887	Quoted market prices, valuations or quotes adjusted to reflect market spreads or modelled prices	Adjustments to quotes	Not applicable	Not applicable
Investment property	22,104	Market approach with percentage/ plus and minus method	Price of comparable properties	Indonesian Rupiah 300,000 per sqm – Indonesian Rupiah 375,000 per sqm	The higher the price of comparable properties, the higher the fair value

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

28. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(c) *Level 3 fair value measurements (Cont'd)*

Description	Fair value at 30 June 2023 $'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Investments – Debt security (unquoted)	1,619	Quoted market prices, valuations or quotes adjusted to reflect market spreads or modelled prices	Adjustments to quotes	Not applicable	Not applicable
Investment property	23,855	Market approach with percentage/ plus and minus method	Price of comparable properties	Indonesian Rupiah 300,000 per sqm – Indonesian Rupiah 375,000 per sqm	The higher the price of comparable properties, the higher the fair value

The fair value of investments categorised under Level 3 of the fair value hierarchy is generally sensitive to the unobservable inputs set out above.

(d) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value*

Trade and other receivables, amounts due from/(to) related parties, cash and cash equivalents and trade and other payables

The carrying amounts of financial assets and liabilities with maturity of one year or less were assumed to approximate their fair values because of the short period to maturity or that they were repriced frequently.

Loans due from subsidiaries

The carrying amounts of financial assets with maturity of more than one year were assumed to approximate their fair values as they are subject to interest rates approximating market rates of interest for similar arrangements with financial institutions.

29. OPERATING SEGMENTS

The Group determines its operating segments based on internal reports of the components of the Group that are regularly reviewed by the Group's Chief Executive Officer (the chief operating decision maker) for performance assessment and to determine resources allocation.

The following summary describes the operations of each of the Group's reportable segments:

Distribution and Services Solutions	:	Provision of solutions for in-circuit and functional testing, distribution and trading of scientific instruments and electronic equipment, provision of related technical services and support, and trading of consumable products.
Automated Precision System Solutions	:	Provision of customised systems and solutions for test automation, high precision automated assembly process for fibre and lens, and full automated wafer level testing.
Property Investment and Development	:	Holding and/or development of properties for investment purposes to derive gains from capital appreciation and/or generate returns from operation or sale.
Egg Production and Distribution	:	Production and distribution of fresh eggs. The development of the egg farm is at its planning stage.

Information regarding the results of each reportable segment is set out below. Segment results are used to measure performance as management believes that such information is the most relevant in evaluating the performance of the segments relative to other entities that operate within these industries. Inter-segment pricing is determined on mutually agreed terms.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

29. OPERATING SEGMENTS (CONT'D)

Reportable segments

Group	Distribution and Services Solutions 2024 $'000	Distribution and Services Solutions 2023 $'000	Automated Precision System Solutions 2024 $'000	Automated Precision System Solutions 2023 $'000	Property Investment and Development 2024 $'000	Property Investment and Development 2023 $'000	Egg Production and Distribution 2024 $'000	Egg Production and Distribution 2023 $'000	Eliminations 2024 $'000	Eliminations 2023 $'000	Consolidated 2024 $'000	Consolidated 2023 $'000
Revenue and expenses												
Total revenue from external customers	49,757	56,095	5,306	3,048	–	–	–	–	–	–	55,063	59,143
Inter-segment revenue	190	28	290	1,907	–	–	–	–	(480)	(1,935)	–	–
	49,947	56,123	5,596	4,955	–	–	–	–	(480)	(1,935)	55,063	59,143
Segment results	2,099	3,226	(2,760)	(553)	371	534	(7,047)	(1,780)	–	–	(7,337)	1,427
Unallocated corporate results											716	(1,480)
											(6,621)	(53)
Share of results of a joint venture	(12)	(47)	–	–	–	–	–	–	–	–	(12)	(47)
Loss before finance income/(costs) and tax expense											(6,633)	(100)
Finance income											1,625	1,249
Finance costs											(50)	(34)
(Loss)/Profit before tax											(5,058)	1,115
Tax expense											(424)	(417)
Non-controlling interests											1,641	1,350
(Loss)/Profit for the year attributable to owners of the Company											(3,841)	2,048

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

29. OPERATING SEGMENTS (CONT'D)

Reportable segments (Cont'd)

Group	Distribution and Services Solutions		Automated Precision System Solutions		Property Investment and Development		Egg Production and Distribution		Eliminations		Consolidated	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Assets and liabilities												
Segment assets	41,348	44,255	2,517	6,327	26,211	28,747	16,262	22,887	(110)	(551)	86,228	101,665
Investment in a joint venture	–	72	–	–	–	–	–	–	–	–	–	72
Tax recoverables	124	92	–	–	–	–	–	–	–	–	124	92
Deferred tax assets	14	21	–	–	–	–	–	–	–	–	14	21
Unallocated corporate and other assets											39,606	38,667
Total assets											125,972	140,517
Segment liabilities	11,230	13,960	880	2,300	429	423	1,787	2,036	(110)	(551)	14,216	18,168
Income tax payable	278	659	1	1	2	1	–	–	–	–	281	661
Deferred tax liabilities	10	–	26	142	553	596	–	–	–	–	589	738
Unallocated corporate and other liabilities											1,148	1,227
Total liabilities											16,234	20,794
Capital expenditure												
– allocated to reportable segments	176	29	14	11	–	–	46	816	–	–	236	856
– unallocated corporate and others											4	33
Total capital expenditure											240	889

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

29. OPERATING SEGMENTS (CONT'D)

Reportable segments (Cont'd)

Group	Distribution and Services Solutions		Automated Precision System Solutions		Property Investment and Development		Egg Production and Distribution		Eliminations		Consolidated	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Other items												
Amortisation of intangible assets												
– allocated to reportable segments	(21)	(29)	(176)	(171)	–	–	(1)	–	–	–	(198)	(200)
– unallocated corporate expenses											(18)	(20)
											(216)	(220)
Dividend income from financial assets												
– allocated to reportable segments	–	–	–	–	206	241	–	–	–	–	206	241
– unallocated corporate income											226	212
											432	453
Depreciation of plant and equipment												
– allocated to reportable segments	(381)	(161)	(61)	(53)	–	–	(46)	(20)	–	–	(488)	(234)
– unallocated corporate expenses											(5)	(220)
											(493)	(454)
Depreciation of right-of-use assets	(478)	(378)	(124)	(124)	–	–	(336)	(282)	–	–	(938)	(784)
Fair value gain/(loss) on financial assets at fair value through profit or loss	–	–	–	–	–	–	–	–	–	–	704	(323)
Fair value gain on investment property	–	–	–	–	254	430	–	–	–	–	254	430

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

29. OPERATING SEGMENTS (CONT'D)

Reportable segments (Cont'd)

Group	Distribution and Services Solutions		Automated Precision System Solutions		Property Investment and Development		Egg Production and Distribution		Eliminations		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Other items (cont'd)												
Impairment loss on goodwill	–	–	(1,600)	–	–	–	(4,183)	–	–	–	(5,783)	–
Impairment loss on intangible assets	–	–	(524)	–	–	–	–	–	–	–	(524)	–
Impairment loss on right-of-use assets	–	–	–	–	–	–	(425)	–	–	–	(425)	–
Impairment loss on trade and other receivables, net	10	45	(300)	(78)	–	–	–	–	–	–	(290)	(33)
Government grants and subsidies												
– allocated to reportable segments	35	150	22	42	–	–	–	21	–	–	57	213
– unallocated corporate income											2	9
											59	222

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

29. OPERATING SEGMENTS (CONT'D)

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

Group	Singapore		Malaysia		China		Taiwan		Indonesia		Other regions		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Total revenue from external customers	27,910	32,867	5,357	5,777	12,652	15,490	3,652	4,185	–	–	5,492	824	55,063	59,143
Non-current segment assets	23,655	30,795	60	87	85	81	220	325	–	–	–	–	24,020	31,288
Investment property	–	–	–	–	–	–	–	–	22,104	23,855	–	–	22,104	23,855
Financial assets	9,430	11,176	–	–	–	–	–	–	–	–	–	–	9,430	11,176
Deferred tax assets	10	10	–	–	–	–	4	11	–	–	–	–	14	21
Total non-current assets	33,095	41,981	60	87	85	81	224	336	22,104	23,855	–	–	55,568	66,340
Capital expenditure	190	881	7	5	14	3	29	–	–	–	–	–	240	889

Information about major customers

Revenue of approximately 32% (2023: 31%) are derived from two (2023: two) major customers. These revenues are attributable to the Distribution and Services Solutions segment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

30. CAPITAL MANAGEMENT

Capital comprises all components of equity.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust dividend payments to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. There were no changes in the approach to capital management during the financial years ended 30 June 2024 and 30 June 2023.

The Group and the Company were not subject to any externally imposed capital requirements for the financial years ended 30 June 2024 and 30 June 2023.

31. DIVIDENDS

	Group and Company	
	2024	**2023**
	$'000	**$'000**
Declared and paid during the financial year:		
Final (tax-exempt one-tier) dividend for 2023:		
1.00 cent (2022: 1.00 cent) per share	1,662	1,666
Proposed but not recognised as a liability as at 30 June:		
Final (tax-exempt one-tier) dividend for 2024:		
1.00 cent (2023: 1.00 cent) per share	1,662	1,662

32. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 30 June 2024 were authorised for issue in accordance with a resolution of the Directors on 23 September 2024.

STATISTICS OF SHAREHOLDINGS

AS AT 23 SEPTEMBER 2024

Number of shares (including treasury shares and subsidiary holdings)	:	167,128,185		
Number of shares (excluding treasury shares and subsidiary holdings)	:	166,213,885		
Class of shares	:	Ordinary shares	Voting rights :	1 vote per share
Number/percentage of treasury shares	:	914,300 (0.55%[(1)])		
Number of subsidiary holdings	:	Nil		

The Company cannot exercise any voting rights in respect of treasury shares.

Distribution of Shareholdings

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%[(1)]
1 to 99	33	1.60	1,254	0.00
100 to 1,000	464	22.56	237,642	0.14
1,001 to 10,000	871	42.34	4,194,334	2.53
10,001 to 1,000,000	682	33.16	45,260,697	27.23
1,000,001 and above	7	0.34	116,519,958	70.10
Total	**2,057**	**100.00**	**166,213,885**	**100.00**

Based on information available to the Company as at 23 September 2024, approximately 39.54% of the issued shares of the Company (excluding treasury shares) is held by the public and Rule 723 of the Listing Manual of Singapore Exchange Securities Trading Limited is complied with.

Twenty Largest Shareholders

No.	Name of Shareholders	Number of Shares	%[(1)]
1	CGS INTERNATIONAL SECURITIES SINGAPORE PTE LTD	99,670,819	59.97
2	DBS NOMINEES (PRIVATE) LIMITED	10,652,883	6.41
3	BEVRIAN PTE LTD	1,461,746	0.88
4	PHILLIP SECURITIES PTE LTD	1,346,510	0.81
5	LEE LENG GHEE WILLIE	1,150,000	0.69
6	QUEK CHIN CHOO	1,132,000	0.68
7	LEAP INTERNATIONAL PTE LTD	1,106,000	0.67
8	IWAN RUSLI @ LIE TJIN VAN	950,000	0.57
9	RAFFLES NOMINEES (PTE) LIMITED	923,360	0.56
10	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	856,522	0.52
11	TAY BOON HUAT	804,900	0.48
12	NG THIAM SENG @ EUGENE NG	720,000	0.43
13	HONG LEONG FINANCE NOMINEES PTE LTD	716,700	0.43
14	NG TIE JIN (HUANG ZHIREN)	666,900	0.40
15	CHIA CHOI CHUN	650,000	0.39
16	KAM TEOW CHONG	622,300	0.37
17	MAYBANK SECURITIES PTE LTD	618,305	0.37
18	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	614,300	0.37
19	CITIBANK NOMINEES SINGAPORE PTE LTD	506,900	0.31
20	SNG CHING NGEE	455,000	0.27
	Total	**125,625,145**	**75.58**

STATISTICS OF SHAREHOLDINGS

AS AT 23 SEPTEMBER 2024

Substantial Shareholders

Name of Substantial Shareholders	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%[1]	No. of Shares	%[1]	No. of Shares	%[1]
Bevrian Pte Ltd[2]	1,461,746	0.88	99,000,000	59.56	100,461,746	60.44
David Lum Kok Seng[3]	–	–	100,461,746	60.44	100,461,746	60.44

(1) Percentage is calculated based on 166,213,885 shares, excluding treasury shares.
(2) Bevrian Pte Ltd's deemed interest in the shares is held through a nominee account.
(3) Mr David Lum Kok Seng is deemed interested in all the shares held by Bevrian Pte Ltd.

NOTICE OF ANNUAL GENERAL MEETING

ELLIPSIZ LTD

(Company Registration No. 199408329R)
(Incorporated in the Republic of Singapore)
(the "**Company**")

NOTICE IS HEREBY GIVEN that the 29th Annual General Meeting of the Company ("**AGM**") will be convened and held at 1 Orchid Club Road, Orchid Country Club, Emerald Suite, Singapore 769162 on Tuesday, 22 October 2024 at 3.00 p.m. to transact the following businesses:

Ordinary Business

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2024 and the Auditor's Report thereon.
(Resolution 1)

2. To re-elect Mr Kenneth Ho Siew Keong, an Executive Director who was first appointed by the Board of Directors of the Company on 1 August 2024, in accordance with Article 107 of the Company's Constitution.
(Resolution 2)
(See Explanatory Note 1)

3. To note the retirement of Mr Clement Leow Wee Kia who is retiring as an Independent Director pursuant to Rule 210(5)(d)(iv) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

   (Mr Clement Leow Wee Kia will not be seeking re-election and will retire as an Independent Director at the conclusion of the AGM. He will step down from his position as the Chairman of both the Nominating Committee and Remuneration Committee and a member of the Audit and Risk Committee.)

4. To note the retirement of Mr Amos Leong Hong Kiat who is retiring as an Independent Director pursuant to Rule 210(5)(d)(iv) of the Listing Manual of the SGX-ST.

   (Mr Amos Leong Hong Kiat will not be seeking re-election and will retire as an Independent Director at the conclusion of the AGM. He will step down from his position as the Chairman of the Audit and Risk Committee and a member of both the Nominating Committee and Remuneration Committee.)

5. To declare a final tax-exempt (one-tier) dividend of 1.00 cent per ordinary share as recommended by the Directors for the financial year ended 30 June 2024.
(Resolution 3)

NOTICE OF ANNUAL GENERAL MEETING

6. To approve the payment of Directors' fees of $335,062 (2024: $297,000) for the financial year ending 30 June 2025, to be paid quarterly in arrears.

(Resolution 4)

(See Explanatory Note 2)

7. To re-appoint Ernst & Young LLP as the Auditor of the Company and to authorise the Directors to fix their remuneration.

(Resolution 5)

Special Business

To consider and, if thought fit, to pass with or without modifications, the following resolutions as Ordinary Resolutions:

8. That authority be and is hereby given to the Directors to:

(a) (i) allot and issue shares in the Company (the "**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, the "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

Provided that:

(I) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares, excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (II) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to members of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares, excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (II) below);

NOTICE OF ANNUAL GENERAL MEETING

(II) (subject to such manner of calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (I) above, the percentage of issued shares shall be based on the Company's total number of issued shares, excluding treasury shares and subsidiary holdings, at the time this Resolution is passed, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of shares;

(III) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(IV) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is the earlier.

(Resolution 6)

(See Explanatory Note 3)

9. That:

(a) for the purposes of Sections 76C and 76E of the Companies Act 1967 (the "**Companies Act**"), the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (the "**Shares**") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) on-market purchase(s) (each an "**On-Market Share Purchase**") on the SGX-ST; and/or

(ii) off-market purchase(s) (each an "**Off-Market Share Purchase**") effected in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

NOTICE OF ANNUAL GENERAL MEETING

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next AGM is held; or

(ii) the date by which the next AGM is required by law to be held; or

(iii) the date on which purchases of Shares by the Company pursuant to the Share Purchase Mandate is carried out to the full extent mandated;

(c) in this Resolution:

"**Prescribed Limit**" means 10% of the total number of issued Shares excluding treasury shares and subsidiary holdings as at the date of the passing of this Resolution; and

"**Maximum Price**", in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price (as defined below); and

(ii) in the case of an Off-Market Share Purchase, 110% of the Average Closing Price, where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last 5 Market Days ("**Market Day**" being a day on which the SGX-ST is open for securities trading), on which transactions in the Shares were recorded, before the day on which the On-Market Share Purchase was made (and deemed to be adjusted for any corporate action that occurs during the relevant 5 Market Days and the day on which the On-Market Share Purchase was made) or, as the case may be, before the date of making an announcement by the Company of an offer for an Off-Market Share Purchase; and

NOTICE OF ANNUAL GENERAL MEETING

(d) the Directors and/or each of them be and are/is hereby authorised to complete and do all such acts and things as they and/or he or she may consider necessary, desirable, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

(Resolution 7)

(See Explanatory Note 4)

Notice of Record Date

NOTICE IS ALSO HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed at 5.00 p.m. on 6 November 2024 for the purpose of determining shareholders' entitlements to a proposed final tax-exempt (one-tier) dividend of 1.00 cent per ordinary share for the financial year ended 30 June 2024 ("**FY2024 Final Dividend**").

Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 up to 5.00 p.m. on 6 November 2024 will be registered to determine shareholders' entitlements to the FY2024 Final Dividend.

Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares of the Company as at 5.00 p.m. on 6 November 2024 will be entitled to the FY2024 Final Dividend.

The FY2024 Final Dividend, if approved by the shareholders at the 29th AGM, will be paid on 21 November 2024.

By Order of the Board

LIM POH YEOW
Company Secretary
Singapore, 7 October 2024

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

1. **Ordinary Resolution 2**: Detailed information of Mr Kenneth Ho Siew Keong can be found under "*Board of Directors*", "*Additional Information on Director Seeking Re-election*" and "*Corporate Governance*" sections in the Company's Annual Report 2024.

2. **Ordinary Resolution 4**: The Company intends to increase the number of Non-Executive Directors from 5 to 6 for enhancement of diversity and core competencies. This explains the higher Directors' fees for the financial year ending 30 June 2025. It is proposed that the Directors' fees be paid quarterly in arrears after this AGM is held, instead of at the end of the aforesaid financial year. Information on Directors' fees can be found under the "*Corporate Governance*" section in the Company's Annual Report 2024.

3. **Ordinary Resolution 6**: Ordinary Resolution 6, if passed, will authorise the Directors, from the date of this AGM until the next AGM, to issue shares, make or grant Instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such Instruments, up to an amount not exceeding 50% of the total number of issued shares, excluding treasury shares and subsidiary holdings, with a sub-limit of 20% for issues other than on a *pro rata* basis to members of the Company. For the purpose of determining the aggregate number of shares that may be issued, the total number of issued shares, excluding treasury shares and subsidiary holdings, will be calculated based on the Company's total number of issued shares, excluding treasury shares and subsidiary holdings, at the time that this Resolution is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed, and any subsequent bonus issue, consolidation or subdivision of shares.

4. **Ordinary Resolution 7**: Ordinary Resolution 7, if passed, will empower the Directors to purchase, on behalf of the Company, ordinary shares in the capital of the Company in accordance with the terms set out in the Appendix to this Notice of AGM as well as the rules and regulations set out in the Companies Act and the Listing Manual of the SGX-ST. Please refer to the Appendix to this Notice of AGM for details.

Notes:

1. A booklet containing printed copies of this Notice of AGM, Proxy Form and the Request Form (to request for a printed copy of the Company's Annual Report 2024) will be sent by post to members. These documents will also be published on the Company's corporate website at https://www.ellipsiz.com/investor-relations/annual-reports/ and the SGXNet.

2. (a) A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where a member appoints two proxies, he or she shall specify the proportion of the shareholdings (expressed as a percentage of the whole) to be represented by each proxy. If no proportion is specified, the first named proxy shall be deemed to represent 100% of the shareholdings and the second named proxy shall be deemed to be an alternate to the first named proxy.

   (b) A member of the Company which is a corporation is entitled to appoint its authorised representative(s) or proxy(ies) to vote on its behalf. The Proxy Form appointing the representative(s) or proxy(ies) must be executed under its common seal or executed as a deed in accordance with the Companies Act or signed on its behalf by its attorney or officer duly authorised.

NOTICE OF ANNUAL GENERAL MEETING

(c) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member's Proxy Form appoints two or more proxies, the number and class of Shares to which each proxy has been appointed shall be specified in the Proxy Form.

"relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act.

3. A proxy need not be a member of the Company.

4. The Proxy Form must be submitted to the Company in the following manner:

(a) if sent by post, it has to be deposited at the registered office of the Company at 54 Serangoon North Avenue 4 #05-02 Singapore 555854; or

(b) if sent electronically, it has to be submitted via email to the Company at agm@ellipsiz.com,

in either case, not less than 72 hours before the time fixed for the AGM.

A member who wishes to submit a Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above or before scanning and sending it by email to the email address provided above.

Members are strongly encouraged to submit completed and signed Proxy Forms electronically via email.

5. Shareholders can submit questions related to the resolutions to be tabled for approval at the AGM, in advance of the AGM, in the following manner:

(a) via email to the Company at agm@ellipsiz.com; or

(b) via post to the Company at 54 Serangoon North Avenue 4 #05-02 Singapore 555854,

in either case, by **3.00 p.m. on Tuesday, 14 October 2024**.

When submitting the questions, please provide the Company with the following details, for verification purpose:

(i) full name (for individuals) / company name (for corporates);

(ii) NRIC number/Passport number (for individuals) / company registration number (for corporates);

(iii) the number of Shares held; and

(iv) the manner in which you hold Shares (e.g. via CDP, CPF or SRS).

NOTICE OF ANNUAL GENERAL MEETING

The Company will endeavour to address all substantial and relevant questions submitted in advance of the AGM, either prior to or during the AGM. As there may not be sufficient time to address all questions during the AGM, the Company will publish the responses to the substantial and relevant questions which the Company will not be addressing during the AGM, on SGXNet and the Company's corporate website prior to the AGM. The Company will publish the minutes of the AGM on SGXNet and the Company's corporate website, and the minutes will include the responses to the substantial and relevant questions which are addressed during the AGM.

6. All references to dates and times in this Notice of AGM are to Singapore dates and times.

7. The Company's Annual Report 2024 may be accessed at the Company's corporate website at https://www.ellipsiz.com/investor-relations/annual-reports/ and the SGXNet. Members may request for a printed copy of the Company's Annual Report 2024 by completing and submitting the Request Form (sent to them by post together with printed copies of this notice of AGM and the accompanying Proxy Form) no later than 14 October 2024.

Personal Data Privacy

By submitting the Proxy Form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (and/or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (and/or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (and/or its agents or service providers) to comply with the applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (and/or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (and/or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Mr Kenneth Ho Siew Keong is the Director seeking re-election at the forthcoming AGM on 22 October 2024.

The following information as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST, relating to Mr Kenneth Ho, is provided pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

Name of Director	**Kenneth Ho Siew Keong**
Date of Appointment	1 August 2024
Date of last re-appointment (if applicable)	Not applicable
Age	59
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendations of the Nominating Committee and has reviewed and considered the work experience and qualification of Mr Kenneth Ho for re-appointment as an Executive Director of the Company. The Board is of the view that Mr Kenneth Ho possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive Mr Kenneth Ho is responsible for providing leadership to management and overseeing the Group's operations, charting the Group's corporate directions, implementing its growth strategies and managing its investment activities. He is a member of the management committee that was formed to carry out the CEO functions pending the appointment of a new CEO.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Name of Director	**Kenneth Ho Siew Keong**
Professional qualifications	Bachelor of Arts (Honours) in Economics & Political Science, York University, Toronto, Canada 1990
Working experience and occupation(s) during the past 10 years	May 2024 to July 2024 General Manager, Lum Chang Holdings Limited July 2022 to April 2024 Head of Vietnam and China, Chip Eng Seng Corporation (CES Corp) January 2022 to June 2022 Head of Vietnam, UOL Group December 2020 to December 2021 Managing Director, Bankside Capital Pte Ltd (Partner, New Wave Vietnam Real Estate Fund) 2016 to 2020 General Manager (China and Vietnam), CEL Development Pte Ltd (A member of CES Corp) 2011 to 2016 CEO (China), LCD Global Investments Ltd (now known as AF Global Limited)
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Name of Director	**Kenneth Ho Siew Keong**
Other Principal Commitments Including Directorships	
Past (for the last 5 years)	Past Directorships: Lum Chang Holdings Limited CES Vietnam Holdings Pte Ltd CES Management (Vietnam) Pte Ltd CES Technology Development (Taicang) Company
Present	Present Directorships: Yinjian Investment (S) Pte Ltd Silverlink Holdings Pte Ltd Transil Corporation Pte Ltd Beijing Yinjian Industry Co Ltd
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Name of Director	**Kenneth Ho Siew Keong**
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Name of Director	Kenneth Ho Siew Keong
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–	
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Name of Director	Kenneth Ho Siew Keong
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Disclosure applicable to the appointment of Director only.	
Any prior experience as a director of an issuer listed on the Exchange?	Yes
If yes, please provide details of prior experience.	Independent Director of Lum Chang Holdings Limited from September 2021 to May 2024.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Not Applicable
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	

ELLIPSIZ LTD

(Company Registration No. 199408329R)
(Incorporated in the Republic of Singapore)

IMPORTANT

1. For CPF/SRS investors who have used their CPF/SRS monies to buy the Company's shares ("**Shares**"), this Proxy Form is not valid for use and shall be ineffective for all purposes if used or purported to be used by them. CPF/SRS investors should contact their respective agent banks if they have any queries regarding their appointment as proxy(ies).
2. By submitting this Proxy Form appointing proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 7 October 2024.

PROXY FORM
29TH ANNUAL GENERAL MEETING

I/We ______________________________ (*Name*),

NRIC/Passport No./Company Registration No. ______________________________ of

______________________________ (*Address*)

being a member/members of Ellipsiz Ltd (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or, failing him/her/them, the Chairman of the Annual General Meeting of the Company ("**AGM**"), as my/our proxy/proxies to attend, speak and vote on my/our behalf at the AGM to be held at 1 Orchid Club Road, Orchid Country Club, Emerald Suite, Singapore 769162 on Tuesday, 22 October 2024 at 3.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against, or to abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote for or against, or abstain from voting, at his/her/their discretion, as he/she/they may on any other matter arising at the AGM and at any adjournment thereof.

No.	Ordinary Resolutions	No. of Votes For*	No. of Votes Against*	No. of Votes Abstain*
Ordinary Business				
1.	Adoption of the Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2024 and the Auditor's Report thereon.			
2.	Re-election of Mr Kenneth Ho Siew Keong as a Director.			
3.	Declaration of a final tax-exempt (one-tier) dividend of 1.00 cent per ordinary share.			
4.	Approval of Directors' fees of $335,062 for the financial year ending 30 June 2025, to be paid quarterly in arrears.			
5.	Re-appointment of Ernst & Young LLP as Auditor of the Company and authorising the Directors to fix their remuneration.			
Special Business				
6.	Approval of authority to issue new shares.			
7.	Approval of Share Purchase Mandate.			

* *Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" or to "Abstain from voting on" the relevant resolution, please tick (✓) in the relevant boxes provided above. Alternatively, if you wish to exercise your votes in a combination of "For", "Against" and "Abstain from voting on" the relevant resolution, please insert the number of votes in the relevant boxes provided above.*

Dated this ________ day of ________________ 2024.

Total No. of Shares in:	No. of Shares:
CDP Register	
Register of Members	

____

Signature(s) of Member(s) or Common Seal of Corporate Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares. If no number is inserted, this Proxy Form shall be deemed to relate to all the Shares held by you.

2. (a) A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member appoints two proxies, the member shall specify the proportion of the shareholdings (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion is specified, the first named proxy shall be deemed to represent 100% of the shareholdings and the second named proxy shall be deemed to be an alternate to the first named proxy.

   (b) A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member's Proxy Form appoints two or more proxies, the number and class of Shares to which each proxy has been appointed shall be specified in this Proxy Form. In relation to a relevant intermediary who wishes to appoint more than two proxies, please annex, to this Proxy Form, the list(s) of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport number, class of Shares and number of Shares in relation to which the proxy has been appointed.

   "relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act 1967 (the "**Act**").

3. A proxy need not be a member of the Company.

4. This Proxy Form (together with the power of attorney, if any, under which it is signed or a certified copy thereof) must be submitted in the following manner:

   (a) if sent by post, it has to be deposited at the registered office of the Company at 54 Serangoon North Avenue 4, #05-02, Singapore 555854; or

   (b) if sent electronically, it has to be submitted via email to the Company at agm@ellipsiz.com,

   in either case, not less than 72 hours before the time fixed for the AGM.

   A member who wishes to submit this Proxy Form must complete and sign this Proxy Form, before submitting it by post to the address provided above or before scanning and sending it by email to the email address provided above.

   Members are strongly encouraged to submit completed and signed Proxy Forms electronically via email.

5. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under this Proxy Form, to the AGM.

6. This Proxy Form must, in the case of an individual, be signed by the appointor or his/her attorney duly authorised in writing. In the case of a corporation, this Proxy Form must be executed under its common seal or executed as a deed in accordance with the Act or signed on its behalf by its attorney or officer duly authorised.

7. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body, such person(s) as it thinks fit to act as its representative(s) at the AGM in accordance with its constitution and Section 179 of the Act.

8. The Company shall be entitled to reject this Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this Proxy Form.

9. In the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company may reject any Proxy Form lodged if such members are not shown to have Shares entered against their names in the Depository Register 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

10. All references to dates and times in this Proxy Form are to Singapore dates and times.

AGM
Proxy Form

AFFIX
POSTAGE
STAMP

The Company Secretary
ELLIPSIZ LTD

54 Serangoon North Avenue 4
#05-02
Singapore 555854

ellipsiz
forward solutions

(Reg. No. 199408329R)

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