BROMAT HOLDINGS LTD.
(Company Registration No. 201715253N)
(Incorporated in Singapore)

EMPHASIS OF MATTER AND MATERIAL UNCERTAINTY RELATED TO GOING CONCERN ON THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

Pursuant to Rule 704(4) of the Listing Manual B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Board of Directors (the "**Board**" or "**Directors**") of Bromat Holdings Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the independent auditor, PKF-CAP LLP (the "**Independent Auditor**") has included an Emphasis of Matter (**"EOM"**) and a Material Uncertainty Related to Going Concern sections in their report (the "**Independent Auditor's Report**") on the audited financial statements of the Group and the Company for the financial year ended 30 September 2025 ("**FY2025 Audited Financial Statements**"). The opinion of the Independent Auditor is not modified in respect of these matters.

The Independent Auditor's Report and Notes 2.1 and 30 to the FY2025 Audited Financial Statements pertaining to the background information on the Emphasis of Matter and the Group's and the Company's going concern assumption are annexed to this announcement for information purposes. The Independent Auditor's Report and the FY2025 Audited Financial Statements form part of the Company's Annual Report for FY2025 (the "**2025 Annual Report**") which is released to the shareholders of the Company (the "**Shareholders**") on 25 November 2026. Shareholders are advised to read this announcement in conjunction with the Independent Auditors' Report and the 2025 Annual Report in their entirety.

Board's Comments on the Emphasis of Matter

The Independent Auditors' Report for FY2025 includes an EOM drawing attention to Note 30 to the FY2025 Audited Financial Statements. Note 30 describes the unauthorised diversion of funds and novation of customer contracts relating to Dining Haus Pte. Ltd. (**"Dining Haus"**), the Group's 60%-owned subsidiary, to its minority shareholder and former director, Mr Chia Shu Sian ("**Mr Chia**"), during the financial year.

The Board, through the Audit Committee (**"AC"**), has taken note of the EOM and is of the view that appropriate actions have been taken to address the control weakness underlying it, having regard to the following:

(i) Management has commenced the implementation of enhanced controls to strengthen the review and approval processes for contract novations and amendments, and for changes to customer payment instructions and designated bank accounts;

(ii) Interim measures have been put in place pending full implementation of the enhanced controls and are expected to be fully implemented before the date of issuance of the Company's next annual report; and

(iii) In March 2026, the Company resumed the management of Dining Haus. The affected customer's payments for services rendered from February 2026 have been reverted to Dining Haus. Mr Chia ceased to be a director of Dining Haus on 2 April 2026 as a bankruptcy order was made against him.

Based on the internal controls and risk management framework established and maintained by the Group, work performed by the internal auditor and the Independent Auditor, and reviews performed by management, including steps taken to address the issues raised by the Independent Auditor, the Board, with the concurrence of the AC, are of the opinion that the Group's internal controls, addressing financial, operational and compliance risks and those related to information technology systems and risk management systems are adequate and effective for FY2025.

Board's Comments on the Material Uncertainty Related to Going Concern

Barring any unforeseen circumstances, the Directors are of the view that it is appropriate for the FY2025 Audited Financial Statements of the Group and the Company to be prepared and presented on a going concern basis, having regard to the following:

(i) On 27 August 2026, the Group announced the proposed placement of 32,896,471 ordinary shares in the Company at $0.085 per share totalling $2,796,200. After deducting placement expenses, 40% of

the net proceeds of the placement or $1,094,000 is intended to be set aside for working capital requirements. If the Group requires additional working capital, it will make the appropriate changes and announcements. The proceeds from the placement is estimated to be received by end of November 2026.

(ii) Non-Executive and Non-Independent Chairman, Mr Frank Liu Tao ("**Mr Liu**"), has already supported the Group through the extension of loans and advances and also provided a letter of undertaking that he will continue to support the working capital requirements of the Group and the Company for at least 12 months from the date of approval of the FY2025 Audited Financial Statements.

In view of the above factors, barring any unforeseen circumstances, the Board concurs with the Management's opinion that there are sufficient funds to meet the Group's and the Company's working capital requirements and allow the Group and the Company to continue as going concerns. It is also envisaged that the Group has plans for business expansion following the placement.

Shareholders and investors are reminded to exercise caution when dealing or trading in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.

BY ORDER OF THE BOARD

Tan Keng Tiong
Executive Director and Acting Chief Executive Officer
25 November 2026

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*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

The contact person for the Sponsor is Ms Lee Khai Yinn (Tel: (65) 6232 3210), at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.

Extracts of Independent Auditors' Report

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Bromat Holdings Ltd. (the "**Company**") and its subsidiaries (the "**Group**"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 September 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information as set out on pages 81 to139.

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)s**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 September 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 30 of the financial statements, which describes the unauthorised diversion of funds and novation of customer contracts relating to Dining Haus Pte Ltd ("**DHPL**") to the minority shareholder and former director of DHPL during the current financial year.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1 of the financial statements, which indicates that the Group incurred a net loss of $4,367,240 (2024: $985,104) during the year ended 30 September 2025 and, as of that date, the Group and Company had net liabilities of $9,039,394 and $7,908,107 (2024: $4,679,740 and $4,841,172) respectively. Additionally, the Group had net cash outflow from operating activities of $1,699,605 (2024: $2,281,254) for the year then ended. As stated in Note 2.1, these conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group and Company's ability to continue as going concerns.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

1. *Impairment assessment of goodwill and cost of investment in subsidiaries*

As at 30 September 2025, the carrying amount of the Group's goodwill and the Company's cost of investment in subsidiaries were Nil. In accordance with SFRS(I) 1-36 *Impairment of Assets*, goodwill acquired in a business combination is required to be tested for impairment at least annually. The goodwill acquired in a business combination is allocated to the cash-generating unit ("**CGU**") that is expected to benefit from the synergies of that business combination. Management assessed the CGU for impairment annually or more frequently when there is an indication that the unit may be impaired.

In addition, for the cost of investment in subsidiaries, SFRS(I) 1-36 requires the management to assess whether there are indicators of impairment. Where such indication exists, the cost of investment in subsidiaries is required to be tested for impairment by determining the recoverable amount of the investment in subsidiaries. The recoverable amounts are determined by estimating the value-in-use based on the cash flow forecasts of the respective CGUs, using various significant operational and predictive assumptions such as forecasted revenue, terminal growth rate and discount rate. As these assumptions require significant judgement and estimates, we considered the impairment assessment of goodwill and cost of investment in subsidiaries to be a key audit matter.

Response to key audit matter

Our audit procedures included, and were not limited to, the following:

- We obtained an understanding of the Group's process in assessing the goodwill for impairment;
- We reviewed management's assessment of the existence of internal and external impairment indicators for cost of investment in subsidiaries;
- We evaluated the reasonableness of management's estimate of expected future cash flows and challenged management's key assumptions and estimates applied in the value-in-use models, with comparison to recent performance, trend analysis, market expectations, and historical accuracy of the plans and forecasts;
- We independently assess the appropriateness of valuation methodologies, key inputs and assumptions applied for calculating the recoverable amounts for the respective CGU;
- We reviewed the sensitivity analysis to assess the impact on the recoverable amount of the CGU after reasonably possible changes to the management's key inputs and assumptions; and
- We reviewed the completeness and appropriateness of disclosures made in the financial statements.

2. *Impairment of right-of-use assets and plant and equipment*

At 30 September 2025, the carrying values of the Group's right-of-use assets and plant and equipment were $3,977 and $6,582 respectively. The Group has business segments in the management and operation of catering and other restaurants. These operations incurred losses in the current financial year. Accordingly, management identified that the related right-of-use assets and plant and equipment of this entity have indicators of impairment and performed impairment tests to determine their recoverable amounts. Based on the outcome of the impairment tests, the Group has recognised an impairment loss of $682,798 and $324,736 on the right-of-use assets and plant and equipment of catering and other restaurant business respectively.

As disclosed in Notes 8 and 10, management determined the recoverable amounts of these outlets' right-of-use assets and plant and equipment based on value in use calculations, which require management to apply significant judgements and make assumptions on estimates supporting underlying forecasted cashflows.

Given the heightened level of estimation uncertainty associated with current market condition and the significant management judgement involved in determining the recoverable amounts for the above-mentioned assets which are significant to the Group, we consider this to be a key audit matter.

Response to key audit matter

Our audit procedures included, and were not limited to, the following:

- As part of our audit, we obtained an understanding of management's impairment assessment process, including the method and the reasonableness of the key assumptions used to determine the recoverable amounts, in particular focusing on key assumptions such as discount rates. In our assessment and sensitivity analyses, we considered past, current and anticipated changes in the business and economic environment. We assessed those assumptions by comparing them to recent performance of the outlets based on conditions prevailing at the reporting date.

- We engaged our internal valuation specialists to assess reasonableness of the discount rates. We also performed sensitivity analyses on management's assumptions and discount rates.

- We reviewed the adequacy of the disclosures made on the impairment of right-of-use assets and plant and equipment in Notes 8 and 10 to the financial statements.

3. *Completeness and occurrence of revenue and cost of sales – Dining Haus Pte. Ltd.*

As disclosed in Note 9, the Group holds a 60% equity interest in Dining Haus Pte. Ltd. ("**DHPL**"). DHPL earns management fee revenue from canteen service contracts with corporate customers. During the audit of DHPL for the financial year ended 30 September 2025, matters came to our attention indicating that certain customer contracts and the related collections had been diverted without authorisation to Mr Chia Shu Sian ("**Mr Chia**"), the minority shareholder and former director of DHPL as disclosed in Note 30.

Management has commissioned an independent professional firm to investigate the above matter and to quantify the loss of revenue and related cost of sales attributable to these unauthorised diverted transactions for the period from April 2025 to date of the auditor's report. Based on the findings of the independent professional firm, management has recorded the necessary adjustments pertaining to the financial statements for the year ended 30 September 2025.

As the above matter involved unauthorised diversion of funds to a former director, we consider this a key audit matter.

Response to key audit matter

Our audit procedures included, and were not limited to, the following:

- We obtained an understanding of the chronological sequence of events relating to the diversion of customer contracts and related collections from Mr Chia Shu Sian, the minority shareholder and a former director of DHPL, through discussions with management;

- We obtained and reviewed the legal memorandum prepared by the law firm engaged by management;

- We evaluated management's assessment of the financial reporting impact of the matter to the financial statements, including the impact on revenue and cost of sales as well as collectability of trade receivables of DHPL as at reporting date;

- We evaluated the competence, capabilities and objectivity of the independent professional firm engaged by management and considered the procedures performed and the basis used in quantifying the income and expenses relating to the affected transactions;

- We performed procedures to assess the completeness of the population of affected transactions, including examining customer confirmations, contractual documentation, collection records and other available evidence for indications of additional affected customer arrangements or transactions not identified by management; and

- We considered whether the resulting adjustments were appropriately recognised and presented in the financial statements and assessed the adequacy of the related disclosures in Note 30.

Other information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters 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 except on the matters mentioned in Emphasis of Matter, the accounting and other records required by the Act to be kept by the Company incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ang Kok Keong.

PKF-CAP LLP
Public Accountants and
Chartered Accountants

Singapore

19 November 2026

Extracts of Note 2.1

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company (collectively known as "**financial statements**") 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 "**$**" or "**S$**").

Going concern

During the financial year ended 30 September 2025, the Group incurred a net loss of $4,367,240 (2024: $985,104) and had net cash outflow from operating activities of $1,699,605 (2024: $2,281,254). As of that date, the current liabilities and total liabilities of the Group exceeded its current assets and total assets by $8,700,932 (2024: $1,991,157) and $9,039,394 (2024: $4,679,740) respectively. Additionally, the Company had net liabilities of $7,908,107 (2024: $4,841,172).

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's and Company's ability to continue as going concerns. Notwithstanding, these financial statements have been prepared on a going concern basis having considered the following:

(i) On 27 August 2026, the Group announced the proposed placement of 32,896,471 ordinary shares in the Company at $0.085 per share totalling $2,796,200. After deducting placement expenses, 40% of the net proceeds of the placement or $1,094,000 is intended to be set aside for working capital requirements. If the Group requires additional working capital, it will make the appropriate changes and announcements. The proceeds from the placement is estimated to be received by end of November 2026. As at the date of approval of these financial statements by the Board of directors of the Company, the proposed placement has not been completed.

(ii) The Company has also obtained a written undertaking from a controlling shareholder and director that he will continue to support the working capital requirements of the Group and Company for at least 12 months from the date of approval of the financial statements.

In view of the above factors, management is of the opinion that there are sufficient funds to meet the Group's and the Company's working capital requirements and allow the Group and Company to continue as going concerns. It is also envisaged that the Group has plans for business expansion following the placement.

The accompanying financial statements do not include any adjustments relating to the realisation and classification of assets and liabilities that may be necessary if the Group is unable to continue as a going concern. Should the going concern assumption be inappropriate, adjustments may have to be made to (i) reflect the situation that assets may need to be realised other than in the normal course of the business and at amounts which may differ significantly from the amounts at which they are currently recorded in the statement of financial position; (ii) provide for further liabilities that might arise; and (iii) reclassify non-current assets and non-current liabilities as current. No adjustments have been made in the accompanying financial statements.

Extract of Note 30

30. Update on Dining Haus Pte. Ltd. and actions by its former director

a) Background

Dining Haus provides canteen management and institutional catering services to corporate and institutional customers under service contracts, some of which it performs through outsourced caterers.

In February 2024, the Company acquired 60,000 ordinary shares for a consideration of S$1,200,000 in Dining Haus Pte. Ltd. ("**Dining Haus**"), representing 60% of its issued share capital, from Mr Chia Shu Sian ("**Mr Chia**" or the "**Purchaser**") on 15 February 2024. The remaining 40% continues to be held by Mr Chia. Under a shareholders' agreement dated 10 January 2024 between the Company and Mr Chia, Mr Chia was to continue to operate the business, and the Company was entitled to management fees for the administrative, human resource and corporate governance services which it provided to Dining Haus. In addition, Dining Haus was to distribute a proportion of its profit after tax as dividends. Mr Chia was the Chief Executive Officer of Dining Haus from 1 March 2024 and its Managing Director under an appointment agreement dated 16 December 2024, and was a director of Dining Haus together with two directors nominated by the Company.

b) Sequence of events

The principal events are summarised below.

(i) **The buy-back proposal and the term sheet.** On 4 January 2025, a broker acting for Mr Chia, who had also acted for him on the sale of the 60% interest to the Company, approached the Company's then Chief Financial Officer with a proposal for Mr Chia to buy back the 60% interest for $1,200,000. The Company's then Chief Financial Officer has confirmed to the Company that, at about that time, Dining Haus's remaining customers had expressed concern about continuing to contract with a subsidiary of a listed company with financial constraints. The proposal was reported to the Board on 6 January 2025 and the Company instructed solicitors on 7 January 2025. On 18 January 2025, the Company and Mr Chia signed a non-binding term sheet (binding only as to exclusivity, confidentiality, costs and governing law) which provided for a financial cut-off date of 31 December 2024 for management fees and dividends.

(ii) The financial cut-off date was a term agreed between the Company as seller and Mr Chia as buyer. Under the term sheet, and again under the Initial SPA (as defined in paragraph (v) below) and the SPA, the management fees and dividends payable by Dining Haus to the Company were to be paid up to 31 December 2024 and no further. Its effect was to allocate between the two shareholders the profits of Dining Haus: those earned up to 31 December 2024 were for the Company's account, through the management fees and dividends to that date, and those earned after that date would, on completion, accrue to Mr Chia through his enlarged shareholding, the consideration of $1,200,000 having been agreed on that basis. The cut-off date did not transfer any shares in Dining Haus, or any contract, receipt or other property of Dining Haus, to Mr Chia, whether before or after completion. The term sheet was not binding on this point, and the share purchase agreements were conditional on, among other things, compliance with the Catalist Rules and the approval of the Company's shareholders and full payment of the consideration to the Company. Completion never took place. Dining Haus is a separate legal person, and a buyer of its shares acquires no right to deal with its contracts or its receipts in his own name even after completion, and none at all before it. The Company's position is accordingly that the cut-off date did not give Mr Chia an entitlement to novate the contracts of Dining Haus or to receive Customer A's payments, and that until completion he remained bound to manage Dining Haus as its Managing Director under the direction of the Company. The Board and the Audit Committee have taken the cut-off date into account, in both of the respects mentioned in paragraph (xi) below, in reaching the view set out there.

(iii) **Payments by Dining Haus to the Company.** During the financial year, Dining Haus paid the Company management fees of $68,222, together with expense reimbursements, on 2 December 2024 and 3 February 2025. On 3 February 2025, at the request of the Company's management and with the agreement of Mr Chia as a director and the 40% shareholder of Dining Haus, Dining Haus also advanced $50,000 to the Company from its bank account to enable the Company to pay its creditors.

(iv) **Receipts under a customer contract.** Dining Haus holds a service contract with a customer ("**Customer A")** which expired on 30 June 2026 and which it has performed since 27 September 2024 through an outsourced caterer (the "**Caterer**"). In December 2024, Customer A has confirmed to the Company that from October 2024, payments under the contract were diverted to be paid to Mr Chia instead of Dining Haus.

(v) **Novation of customer contracts to an entity associated with Mr Chia.** Without the knowledge or approval of the Company or of the directors of Dining Haus nominated by it, and without Mr Chia declaring any interest in the transactions to the board of Dining Haus, the following took place:

(1) Dining Haus's service contract with a customer ("**Customer B"**), for a term from 15 June 2023 to 14 June 2026, was novated to an entity associated with Mr Chia (the "**Associated Entity"**) with effect from 1 January 2025. Mr Chia wrote to Customer B on 31 January 2025, after the term sheet had been signed, to give effect to the novation with effect from 1 January 2025, the day after the financial cut-off date in the term sheet.

(2) Dining Haus's service contract with another customer ("**Customer C")** and due to expire on 3 July 2025, was novated to the Associated Entity with effect from 4 March 2025. The fee for February 2025, for services rendered by Dining Haus before the transfer, was paid to Mr Chia rather than to Dining Haus.

(3) A third customer, for which Dining Haus had continued to operate a canteen after its written contract expired in February 2024, has confirmed that it contracted with the Associated Entity with effect from 1 January 2025. No contract of Dining Haus was transferred, and Dining Haus was paid for the services it rendered to that customer up to December 2024.

In the same period, three other customer contracts of Dining Haus expired or were terminated by the customers concerned. From March 2025, the contract with Customer A was the only customer contract remaining with Dining Haus.

(vi) **Discovery of the novation and the Initial SPA.** On 17 February 2025, in response to an enquiry from the Company's accountant, Customer B informed the Company that its contract had been novated to the Associated Entity, and the Company's then Chief Financial Officer was informed. On 18 February 2025, the Company informed its sponsor of the proposed sale and provided a draft share purchase agreement to Mr Chia's broker. On 20 February 2025, the Company and Mr Chia entered into a conditional share purchase agreement (the "**Initial SPA"**) for the sale of the 60% interest for $1,200,000, of which $400,000 was payable on signing and $800,000 on completion; completion to take place within 14 days of signing subject to compliance with the Catalist Rules, with a financial cut-off date of 31 December 2024. On 27 February 2025, Mr Chia paid $200,000 of the $400,000 due on signing.

(vii) **Failure to complete and the SPA.** On 2 March 2025, Mr Chia's solicitors informed the Company that, owing to unforeseen circumstances, he was unable to complete the purchase. The bank balance of Dining Haus at 28 February 2025 was $1,761. On 24 March 2025, the Company engaged solicitors. On 25 March 2025, the Company informed Mr Chia in writing that it had not approved the novation of the contracts, and on 27 March 2025 it put to him a number of options for resolving the matter.

On 21 April 2025, with knowledge of the matters described in paragraphs (b)(iv) and (b)(v) above, the Company entered into an amended conditional share purchase agreement ("**SPA**") with Mr Chia for the proposed disposal of its entire 60,000 ordinary shares, representing 60% of the total issued shares in the issued and paid-up capital of Dining Haus ("**Proposed Disposal**") for an aggregate consideration of $1,200,000, of which the $200,000 already paid was treated as the amount payable on signing and $1,000,000 was payable on completion, again with a financial cut-off date of 31 December 2024. The SPA, which superseded the Initial SPA, was announced by the Company on SGXNET on 21 April 2025.

Management has accordingly ceased consolidation of Dining Haus on 21 April 2025, due to the Proposed Disposal and this was reflected in the results announcement for the financial year released on SGXNET as discontinuing operations.

(viii) **Demand, settlement and shareholders' approval.** On 16 July 2025, the Company reminded Mr Chia of his obligation to complete and of the unauthorised novation of contracts and diversion of payments. The Board met on 18 July 2025 and the sponsor was informed. On 22 July 2025, the Company's solicitors wrote to Mr Chia claiming for breach of the share purchase agreement and for the unauthorised novation of contracts and diversion of payments.

On 8 August 2025, the Company proposed, and on 11 August 2025, the Purchaser through his solicitors accepted, a settlement under which the consideration was reduced to $1,000,000, the $200,000 already paid being retained by the Company, on condition that the remaining consideration of $800,000 was paid in three instalments of $300,000 on 1 September 2025, $300,000 on 1 October 2025 and $200,000 on 1 December 2025 ("**Installment Payments**") and that the Company was given full access to and control of the bank accounts of Dining Haus.

On 25 August 2025, the SGX-ST queried the Company on its computations under Rule 1006 of the Catalist Rules in respect of the Proposed Disposal. On 26 August 2025, the Company confirmed, through its sponsor, that the Proposed Disposal would result in a loss on disposal of approximately $285,000 at the revised consideration, and on 28 August 2025 it was confirmed that the Proposed Disposal required the approval of shareholders. The Company responded to the SGX-ST's queries and informed Mr Chia accordingly on 29 August 2025. On 1 September 2025, Mr Chia agreed that the first Installment Payment would be deferred until shareholders' approval had been obtained and that he would adhere to the dates for the second and third Installment Payments. Shareholders approved the Proposed Disposal at the extraordinary general meeting held on 30 September 2025.

(ix) ***Events after the reporting period***

The Purchaser did not pay any of the Installment Payments. On 30 October 2025, due to the default in first and second Installment Payments to the Proposed Disposal by the Purchaser, the Company has issued a statutory demand to the Purchaser to recover the outstanding consideration of $1,000,000, overdue interest due to the Company and legal fees associated with the issuance of the statutory demand. The amounts due is payable immediately and the Purchaser is required to pay, secure or compound the total amounts due to the Company's satisfaction within 21 days from the date of service of this statutory demand. Failing which, the Company reserves its rights to file a bankruptcy petition against the Purchaser.

On 7 January 2026, the Company served a statutory demand by way of substituted service ("**SD**") on the Purchaser after two unsuccessful attempts to serve the SD physically. The SD relates to claims of the outstanding balance due of $1,019,534.06, consisting of the remaining unpaid Consideration of $1,000,000, accrued interest of $16,034.06 and other charges of $3,500, in relation to the prolong delay to the completion of the Proposed Disposal by the Purchaser. The Purchaser is required to pay, secure or compound the Outstanding Balance Due to the Company's satisfaction within 21 days or to make an application within 14 days have the SD set aside from the date of service of the SD. Failing which, the Company reserves its rights to file a bankruptcy petition against the Purchaser.

In March 2026, the Company resumed the management of Dining Haus. Customer A's payments for services rendered from February 2026 reverted back to Dining Haus. On 2 April 2026, Mr Chia ceased to be a director of Dining Haus as a bankruptcy order was made against him.

On 7 August 2026, the Company filed proof of debt amounting to $1,059,719.19 with the Official Assignee following notification that the Mr Chia, the Purchaser of Dining Haus had been adjudicated bankrupt. The proof of debt comprises the outstanding disposal consideration of $1,000,000, accrued interest of $56,219.19 and related charges of $3,500. As at the date of approval of these financial statements, the claim remains subject to the bankruptcy administration process and the recoverability of the amounts claimed has not been determined.

The Company and Dining Haus have also reserved their rights against the Associated Entity.

(x) ***Update on the Proposed Disposal***

As the Proposed Disposal has not been completed as at the end of the financial year and up to the date of approval of these financial statements, Management has decided that the conditions which forms the basis of the previous assessment that Dining Haus was no longer part of the Group and therefore ceasing consolidation and classifying Dining Haus as discontinuing operations is no longer reasonable. Therefore, Dining Haus is still treated as part of the Group and consolidated in the audited financial statements for the year.

(xi) ***Financial effects and quantification***

Management engaged an independent accounting firm to review the completeness of the revenue and cost of Dining Haus for the financial year and also to quantify the effect of the matters described above. On the basis of that work, adjustments have been made in these financial statements for the financial year.

On the quantification of the effects of the matters described above, Mr Chia and the Associated Entity derived an estimated net outlay of $56,000 after taking into accounts the benefits from the contracts novated or diverted, net of costs of performance, and Mr Chia payment of $200,000 to the Company, which has been forfeited. Conversely, for the Group, this represents and income of $56,000 after taking into account the forfeited deposit of $200,000. In addition, the Company received management fees of $68,222 and a repayable advance of $50,000 from Dining Haus during the financial year. The Company continues to hold its 60% interest in Dining Haus. The figures do not include the unpaid consideration of $1,000,000 claimed by the Company in Mr Chia's bankruptcy, or the carrying amount of the Group's investment in Dining Haus, and the impairment assessment of which is described in Note 9.

The Board has assessed that the net financial effect of the matters described in this Note on the Group's financial position and financial performance for the financial year, after taking into account the forfeited deposit, is not material to these financial statements. That assessment is made from the standpoint of the Company and the Group.