

EINDECKYODO

英德集团

CLEAN, QUALITY
AIR FOR
EVERYONE.



ANNUAL REPORT 2024

CONTENTS

01	Corporate Information
02	Corporate Profile
03	Letter to Shareholders
05	Operations Review
08	Financial Review
12	Board of Directors
14	Key Management
15	Sustainability Report
38	Corporate Governance Report
68	Additional Information on Directors Seeking Re-Election
72	Directors' Statement
75	Independent Auditor's Report
79	Financial Statements
85	Notes to the Financial Statements
132	Statistics of Shareholdings
134	Notice of Annual General Meeting Proxy Form

This annual report has been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**").

This annual report has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made, or reports contained in this annual report.

The contact person for the Sponsor is Ms. Lim Hui Zheng, ZICO Capital Pte. Ltd., at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Zhang Wei Executive Chairman and Chief Executive Officer
Jiang Nan Non-Independent and Non-Executive Director
Ong Kian Guan Lead Independent Director
Wong Chee Meng Lawrence Independent Director
Ong Shen Chieh (Wang Shengjie) (A.K.A. Jeffrey Ong Shen Chieh) Independent Director

AUDIT COMMITTEE

Ong Kian Guan (Chairman)
Wong Chee Meng Lawrence
Jeffrey Ong Shen Chieh

NOMINATING COMMITTEE

Jeffrey Ong Shen Chieh (Chairman)
Wong Chee Meng Lawrence
Ong Kian Guan

REMUNERATION COMMITTEE

Wong Chee Meng Lawrence (Chairman)
Jeffrey Ong Shen Chieh
Ong Kian Guan

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COMPANY SECRETARY

Shirley Tan Sey Liy
(Msc Mgmt (Hons) (UCD), FCS, FCG)

EXTERNAL AUDITORS

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10 Anson Road
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Singapore 079903
Partner-in-charge: **Tan Lip Kiam**
(Public Accountants and Chartered
Accountants Singapore)
(Since financial year ended
31 December 2024)

SPONSOR

ZICO CAPITAL PTE. LTD.
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

SHARE REGISTRAR AND WARRANT AGENT

IN.CORP CORPORATE SERVICES PTE. LTD.
36 Robinson Road
City House #20-01
Singapore 068877

PRINCIPAL BANKERS

UNITED OVERSEAS BANK LIMITED
80 Raffles Place
UOB Plaza, Singapore 048624

**THE HONGKONG AND SHANGHAI BANKING
CORPORATION LIMITED**
10 Marina Boulevard
#47-01 Marina Bay Financial Centre Tower 2
Singapore 018983

CORPORATE PROFILE

Eindec Corporation Limited ("**Eindec**" or the "**Company**" and together with its subsidiaries the "**Group**") is a regional manufacturer and distributor of clean air environmental technology solutions for residential, commercial, and industrial customers, offering customised proprietary products and services.

Established in 1984, the Group specialises in the design, manufacture, and distribution of clean room equipment ("**CRE**") and heating, ventilation and air-conditioning equipment ("**HVAC**") for the real estate sector.

Leveraging on its technological expertise and customisation abilities in clean room and HVAC equipment and systems, the Group broadened its product portfolio to encompass air purification systems under its proprietary brand, 'Eindec Kyodo'. The environmental solutions and systems for clean air are meticulously designed, manufactured, marketed, and sold under its proprietary brand in Southeast Asia.

Headquartered in Singapore, the Group's business activities are broadly classified into two broad categories, namely, (i) clean air environmental solutions, comprising (a) HVAC and (b) CRE; and (ii) trading and distribution of agricultural products ("**TRADING**").

The Group provides customised HVAC and CRE solutions and services to support clean air environmental systems and functions for industries, including electronics, healthcare, medical science, real estate, and marine. The Singapore operation, Eindec Singapore Pte. Ltd., is responsible for the sales, marketing, and project management of HVAC equipment and CRE segments in both Singapore and overseas markets. Meanwhile, its manufacturing subsidiary in Johor, Malaysia, provides the necessary support for the manufacturing of proprietary branded equipment products. Following the establishment of the TRADING business segment, the Group's subsidiary in China now focuses on the logistics management and sale of a diverse array of agricultural products, such as grains, fruits, vegetables, livestock feed, and other essential food products.

Eindec is listed on the SGX-ST on 15 January 2016 under the stock code 42Z.

CLEAN AIR ENVIRONMENTAL TECHNOLOGY SOLUTIONS PORTFOLIO

AIR PURIFICATION AND VENTILATION		HEATING, VENTILATION, AND AIR-CONDITIONING	
	AIR PURIFIER Equipped with four stages of filtration, our air purifiers are able to capture up to 99% of allergens and remove PM 2.5 to improve the quality of the indoor air. Our air purifiers are low in power consumption, ultra-quiet in operation and easy to maintain, which are perfect for uses in residential and commercial properties.		GRILLES & DIFFUSERS Our range of grille & diffuser products provide thermal comfort in buildings, where temperature, humidity, air cleanliness and freshness satisfy the operational and thermal environment required for machinery or production processes.
	AIR PURIFICATION & VENTILATION SYSTEM Our air purification and ventilation system have a small footprint, but efficient in generating fresh clean air through its sophisticated technology. This product is easy to install and maintain, which is suitable for residential, commercial and industrial properties.		DAMPERS & VAV TERMINAL UNIT This range of products are used to vary the volume of air passing through a confined cross section by varying the cross-sectional area to maintain the thermal environment for people and business equipment.
CLEAN ROOM		FIRE/SMOKE, MARINE DAMPER	
	FAN FILTER A self-contained ceiling unit used in turbulent mixing and laminar flow clean room applications that delivers high quality air filtration and air movement performance in clean rooms.		Our range of dampers complement the comprehensive range of automatic fire and smoke dampers and associated controls, providing the complete solution for ventilation and air conditioning systems on shipboards as part of their fire safety and engineering programs.
	AIR SHOWER Our air shower system is designed and manufactured to meet your specific requirements and comes with high degree of flexibility. The system uses blowing air jet to remove fine particles on clean room clothing and footwear before entry into the clean room.		

LETTER TO SHAREHOLDERS



DEAR FELLOW SHAREHOLDERS,

In the financial year ended 31 December 2024 (“FY2024”), we persisted in our endeavours to streamline our non-performing business operations, enhancing our focus and fortifying core competencies in clean air environmental technology solutions and services, while also includes diversifying into novel business opportunities to generate additional revenue streams in the challenging economic landscape. This strategic approach has not only improved overall efficiency but has also positioned us well to respond to emerging market demands.

After much deliberation and persistent efforts, we divested the air purification integrated solutions (“AP”) business, which primarily provided air purification and smart home

equipment products for residential and commercial buildings in China, and transitioned into the TRADING business, primarily targeting the Chinese market. This strategic business diversification is an extension of our e-commerce trading business which started in FY2023. The TRADING segment encompasses logistics management and the sale of agricultural products, such as grains, fruits, vegetables, livestock feed, and other essential food products which generated an initial revenue contribution of S\$2.21 million in FY2024.

Despite geopolitical and economic uncertainties, we continue to optimise our primary business segments, the HVAC and CRE business segments, which supplies and supports residential, commercial, and industrial building developments in Southeast Asia. While we recognised a 17.4% decline in revenue for the HVAC segment from S\$9.90 million in FY2023 to S\$8.18 million in FY2024 and a 7.3% decrease in revenue for the CRE segment from S\$2.33 million in FY2023 to S\$2.16 million in FY2024, we saw an overall improvement in our Group’s performance for these two segments during the second half of FY2024, as compared to the first half of FY2024.

Overall, we registered a 13.6% year-on-year decline in the Group’s revenue, which decreased from S\$15.90 million in FY2023 to S\$13.73 million in FY2024.

Nonetheless, the Group’s balance sheet remains sound, and we maintained a positive working capital of S\$3.41 million as at 31 December 2024, which saw an increase from S\$3.13 million as at 31 December 2023. This resulted in a marginal increase in our net asset value, rising from S\$6.97 million as at 31 December 2023 to S\$7.17 million as at 31 December 2024. Correspondingly, our net asset value per ordinary share increased from 6.47 Singapore cents as at 31 December 2023 to 6.66 Singapore cents as at 31 December 2024.

LETTER TO SHAREHOLDERS



FORTIFYING CORE COMPETENCIES, FOSTERING INNOVATION

The Ministry of Trade and Industry maintained Singapore's economic growth forecast at 1.0% to 3.0% in 2025, down from 4.4% growth in 2024, and China's economic growth is expected to moderate on account of a slowdown in merchandise exports and investment growth due to tariff hikes and industrial overcapacity, respectively. The anticipated global economic challenges, including ongoing trade frictions among major economies and potential escalation in geopolitical conflicts, could lead to higher production costs.¹

Although rising inflationary production and labour costs could dampen growth, we maintain a cautiously optimistic outlook on forthcoming developments in the real estate sector in both Singapore and Malaysia.²

We will continue to optimise our economic resilience and efficiency on our core competencies and business operations in Singapore and Malaysia, promoting and supplying our clean air environmental technology solutions and services to Southeast Asian markets. These efforts will be implemented simultaneously with our expansion on the newly established TRADING and e-commerce trading businesses in China.

As we advance into FY2025, we remain committed to fortifying our expertise and fostering innovation to ensure sustainable growth.

ACKNOWLEDGMENTS AND APPRECIATION

I would like to express utmost appreciation to our customers, business partners, bankers, and dedicated management and employees on behalf of the Board of Directors for their unwavering support and dedication to the Group. I would also like to extend my gratitude to my fellow directors for their invaluable support and guidance over the past year.

I would also like to express our sincere appreciation to our shareholders for their unwavering support and confidence in us as we continue to strengthen our foundation and proficiency in the provision of clean air environmental solutions and services. We look forward to your continued support and patience as we persevere in surmounting challenges and delivering our stakeholders with positive and sustainable values in the long term.

ZHANG WEI

Executive Chairman and Chief Executive Officer

References:

- ¹ <https://www.mti.gov.sg/Newsroom/Press-Releases/2025/02/MTI-Maintains-2025-GDP-Growth-at-1-to-3-Per-Cent> (14 February 2025)
- ² <https://www.cbre.com.sg/press-releases/opportunities-in-uncertainty-mixed-signals-for-singapore-real-estate> (4 February 2025)

OPERATIONS REVIEW

The global economic landscape was beset by uncertainty, particularly the escalating geopolitical and trade tensions, as well as the increase in policy uncertainty that followed the US elections in 2024. These challenges, affecting supply chains and business sentiment, hindered the Group's growth in its clean air environmental technology solutions and services, specifically HVAC, CRE and AP business segments. Customers from various sectors in Southeast Asia reduced capital expenditures and delayed expansion plans, while China's real estate sector remained stagnant. As a result, the Group had to recalibrate its market strategies to navigate these complexities, focusing instead on enhancing operational efficiencies. By adapting to the shifting landscape, the Group aimed to maintain resilience and sought out new opportunities amidst the prevailing challenges.

In FY2024, the Group divested the AP business, which primarily provided air purification and smart home equipment products for residential and commercial buildings in China, and transitioned into the trading of

agricultural products, primarily targeted at the Chinese market. This TRADING segment, a strategic business diversification, encompasses logistics management and the sale of agricultural products, including grains, fruits, vegetables, livestock feed, and other essential food products, generating an initial revenue of S\$2.21 million in FY2024.

The Group focuses on optimising its remaining core businesses and its newly established e-commerce trading business to capitalise on the consumer trend towards online purchases, following the rationalisation efforts. Consequently, the financial performance improved in the second half of FY2024 ("2H FY2024"), which partially lifted the non-performance in the first half of FY2024 ("1H FY2024"). The Group recorded a 7.4% year-on-year growth in revenue from S\$8.13 million in 2H FY2023 to S\$8.73 million in 2H FY2024, and reported a 13.6% year-on-year decline in revenue from S\$15.90 million in FY2023 to S\$13.73 million in FY2024.

FINANCIAL PERFORMANCE ANALYSIS

(S\$'000)	1H FY2024	2H FY2024	FY2024	FY2023	Variance (%)
Revenue	4,996	8,734	13,730	15,895	(13.6)
Gross profit	1,816	2,235	4,051	4,485	(9.7)
Operating (loss)/profit	(263)	374	111	199	(44.2)
(Loss)/profit before tax	(397)	244	(153)	(91)	68.1
(Loss)/profit after tax	(396)	214	(182)	(153)	19.0
Net (loss)/profit ⁽¹⁾	(364)	213	(151)	214	n.m. ⁽²⁾

Notes:

(1) Net (loss)/profit denotes net (loss)/profit attributable to equity holders of the Company.

(2) n.m. denotes not meaningful.

The Group registered a 7.3% decline in revenue for the CRE segment, down from S\$2.33 million in FY2023 to S\$2.16 million in FY2024. Weakened industrial activity across multiple sectors significantly impacted the Group's CRE product sales, which was largely concentrated in Southeast Asia. Businesses, particularly the semiconductor sector, scaled back capital expenditures amid economic uncertainties, driven by the U.S. policy changes that affected global trade and supply chains.

The HVAC segment's revenue decreased by 17.4% from S\$9.90 million in FY2023 to S\$8.18 million in FY2024. The Group's HVAC products are primarily supplied to projects that involve the construction of properties and industrial facilities, such as hospitals, commercial buildings, and car parks in Singapore. Although the demand for residential developments and the private sector increased in 2024 compared to 2023, these projects are still pending for completion and were impeded by economic and geopolitical uncertainties. Consequently, the construction and property development industry maintained a cautious market sentiment.

OPERATIONS REVIEW



The AP segment experienced a 91.4% revenue reduction from S\$3.26 million in FY2023 to S\$0.28 million in FY2024. AP products comprising air purification and smart home equipment are primarily supplied for residential and commercial buildings in China. The Group exited the AP business in September 2024 to focus on other business areas due to the challenging business environment and the grim outlook of the real estate sector in China. The exit of the AP business should allow the Group to focus on its core competencies and explore growth opportunities. This strategic move aims to boost profitability and long-term sustainability amidst challenging market conditions.

Others segment relates to the sales and distribution of cooling towers, which are primarily used for HVAC and industrial purposes as cost-effective and energy-efficient systems to process waste heat into the atmosphere, and e-commerce trading activities. Revenue increased by 127.5% from S\$0.4 million in FY2023 to S\$0.91 in FY2024, driven by the e-commerce trading revenue of S\$0.74 million and a lower contribution of S\$0.17 million from the sales and distribution of cooling towers.

REVENUE ANALYSIS BY GEOGRAPHICAL LOCATION AND BUSINESS SEGMENTS

Countries	CRE		HVAC		AP		TRADING		Others	
(S\$'000)	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
Singapore	1,249	1,235	7,851	9,831	-	-	-	-	170	272
Malaysia	238	198	97	3	-	-	-	-	-	2
China	-	-	-	-	279	3,264	2,206	-	737	126
Indonesia	92	125	36	23	-	-	-	-	-	-
Hong Kong	-	-	87	-	-	-	-	-	-	-
Philippines	441	669	96	5	-	-	-	-	-	-
India	64	-	-	-	-	-	-	-	-	-
Others	78	105	9	37	-	-	-	-	-	-
Total	2,162	2,332	8,176	9,899	279	3,264	2,206	-	907	400

OPERATIONS REVIEW



The Group maintains a cautious and careful approach to business expansion and prospects in the face of weak economic growth, inflationary challenges, and geopolitical uncertainty.

Established in 1984, the Group specialises in the design, manufacture, and sale of clean room and HVAC equipment for the real estate market. The Group will continue to leverage its technology expertise and customisation skills to expand its clean air environmental solutions and products under its proprietary brands.

THE HVAC SEGMENT

HVAC products are essentially dampers, deflection grilles and air diffusers installed to channel and regulate the airflow into the environment within the building to ensure efficient distribution of air within the confined space. These products are used in commercial, residential, industrial buildings, as well as offshore platforms and vessels.

The Group has obtained the ISO 9001:2015 certification for the sales and marketing of its air diffusion equipment, control dampers and clean room equipment. The Group is also amongst the first to produce Class H fire smoke dampers, which are used on oil rigs and in the offshore oil and gas industry.

FIRE/SMOKE AND MARINE DAMPERS

A damper is a valve or plate that stops or regulates the flow of air inside a duct, chimney, variable air volume system, air handler, or other air-handling equipment. A damper may be used to cut off central air conditioning (heating or cooling) to an unused room, or to regulate it for room-by-room temperature and climate control.

The Group has a range of dampers to complement its comprehensive range of automatic fire and smoke dampers and associated controls, providing the complete solution for ventilation and air conditioning systems on shipboards as part of their fire safety and engineering programs.

CLEAN ROOM EQUIPMENT SEGMENT

A clean room provides an environment where the humidity, temperature and particles in the air are precisely controlled. The Group designs, manufactures and distributes clean room equipment, including fan filter units ("FFUs"), air showers, clean booths, pass boxes, clean hand dryers, and clean benches. FFUs are one of the Group's key products.

The Group is one of the first in Asia to develop the LONWORKS® FFU network control system, a centralised computer system capable of controlling thousands of FFUs. It also provides value-added design services and clean room equipment customised according to its customers' specifications. While most of the end users of its clean room equipment are currently from the electronics industry, the Group is receiving more enquiries from laboratories.

THE TRADING SEGMENT

The TRADING of agricultural products, primarily targeted at the Chinese market, encompasses logistics management and the sale of agricultural products, including grains, fruits, vegetables, livestock feed, and other essential food products. The TRADING business operates on back-to-back transactions, where the Group's subsidiary in China is responsible for sourcing and arranging logistics to fulfill customers' orders. This assists customers in addressing their supply chain and logistics issues.

FINANCIAL REVIEW

The Group's financial performance for the FY2024 continued to be undermined by challenging macroenvironments such as global economic slowdown, geopolitical uncertainties, trade tensions, as well as domestic concerns such as the downturn in China's real estate sector, intense competition for a limited number of projects, and inflationary pressure on operating expenses comprising wage hikes and utilities.

As part of the Group's rationalisation efforts, the Group exited the AP business in China with the disposal of its China subsidiary, and expanded into TRADING business in China during FY2024. These efforts moderated the Group's financial performance in the second half of FY2024. Nonetheless, the Group recorded a 13.6% year-on-year decline in revenue, from S\$15.90 million in FY2023 to S\$13.73 million in FY2024.

The HVAC segment registered a 17.40% year-on-year decline in revenue from S\$9.90 million in FY2023 to S\$8.18 million in FY2024. The increase in residential property developments and the private sector in Singapore bolstered the demand for HVAC products, but progressed gradually amidst the geopolitical and economic uncertainties. The slowdown was aggravated by the underperformance of the CRE and AP segments.

FY2024 saw a 7.3% year-on-year decrease in CRE segment's revenue, from S\$2.33 million in FY2023 to S\$2.16 million in FY2024. The decrease was substantially influenced by the weakened industrial activity in various sectors, as businesses reduced capital expenditures and delayed expansion plans amid economic uncertainties as a result of the U.S. policy changes that impacted global trade and supply chains.

The real estate sector in China remained in the doldrums and the bleak outlook of the AP business led the Group to exit this business in September 2024. Revenue from the AP segment plunged 91.4% year-on-year from S\$3.26 million in FY2023 to S\$0.28 million in FY2024.

The newly established TRADING segment which primarily focused on the logistics management and sale of various agricultural products in China, recorded S\$2.21 million in revenue in FY2024. The Others segment, comprising the distribution of cooling towers and e-commerce trading, reported an increase in revenue from S\$0.40 million in FY2023 to S\$0.91 million in FY2024. The increase was primarily driven by an increase in e-commerce trading activities, which was partially offset by a decline in the distribution of cooling towers in Singapore.

REVENUE ANALYSIS BY PRODUCT SEGMENTS

(S\$'000)	1H FY2024	2H FY2024	FY2024	FY2023	Variance (%)
CRE	962	1,200	2,162	2,332	(7.3)
HVAC	3,571	4,605	8,176	9,899	(17.4)
AP	144	135	279	3,264	(91.4)
TRADING	-	2,206	2,206	-	> 100
Others	319	588	907	400	> 100
Total	4,996	8,734	13,730	15,895	(13.6)

FINANCIAL REVIEW

In line with the decrease in the Group's revenue, the Group's cost of sales decreased by 15.2% year-on-year, from S\$11.41 million in FY2023 to S\$9.68 million in FY2024.

Consequently, the Group's gross profit decreased by 9.6% year-on-year from S\$4.48 million in FY2023 to S\$4.05 million in FY2024. Notwithstanding the decline, gross margins improved from 28.2% in FY2023 to 29.5% in FY2024, this resulted from a favourable product mix, enhanced cost control measures, and a reduction in material costs for product manufacturing.

Other income increased by 7.4% year-on-year from S\$0.27 million in FY2023 to S\$0.29 million in FY2024, mainly due to (i) a gain on disposal of a subsidiary of S\$0.20 million, and (ii) government grants of S\$39,000. The increase was partially offset by a net foreign exchange loss recorded in FY2024, compared to a net foreign exchange gain of S\$130,000 in FY2023.

Administrative expenses declined by 4.7% year-on-year from S\$4.43 million in FY2023 to S\$4.22 million in FY2024. This decrease was due to (i) the absence of administrative expenses associated with the disposal of a subsidiary in FY2023, and (ii) reduced depreciation charges related to the disposed subsidiary. The decline was partially offset by a rise in online marketing and advertising expenditures associated with the e-commerce trading, alongside an increase in right-of-use ("ROU") assets leading to higher depreciation charges for property, plant, and equipment in FY2024.

Expected credit loss on trade receivables decreased by 37.9% year-on-year from S\$227,000 in FY2023 to S\$141,000 in FY2024, following the impairment review of trade receivables performed as at 31 December 2024.

Other operating expenses increased by S\$73,000 year-on-year from S\$24,000 in FY2023 to S\$97,000 in FY2024. The increase was mainly due to the strengthening of the Malaysia Ringgit against Singapore Dollars in FY2024, resulting in a net foreign exchange loss of S\$95,000 in FY2024.

Net finance cost decreased by 10.3% year-on-year from S\$0.29 million in FY2023 to S\$0.26 million in FY2024. This was due to (i) an increase in the principal amount invested in fixed deposits, and (ii) a decrease in financing costs incurred with the reduction in total outstanding loans and borrowing balances as a result of the Group's ability to manage its working capital.

Income tax expense decreased by 53.2% from S\$62,000 in FY2023 to S\$29,000 in FY2024. Taking into account the aforementioned, the Group recorded a net loss attributable to equity holders of the Company of S\$0.15 million in FY2024, down from a net profit attributable to equity holders of the Company of S\$0.21 million in FY2023.

FINANCIAL POSITION ANALYSIS

(\$'000)	As at 31 Dec 2024	As at 31 Dec 2023	Variance (%)
Non-Current Assets	6,145	5,752	6.8
Current Assets	10,112	11,078	(8.7)
Non-Current Liabilities	2,385	1,977	20.6
Current Liabilities	6,703	7,945	(15.6)
Working Capital	3,409	3,133	8.8
Equity Attributable to Owners of the Company	7,169	6,966	2.9
Net Asset Value Per Share (Singapore Cents) ⁽¹⁾	6.66	6.47	2.9

Note:

(1) Net asset value per share are computed based on the total number of issued ordinary shares of 107.7 million as at 31 December 2024 and 31 December 2023.

FINANCIAL REVIEW

The Group's balance sheet remains sound and recorded a positive working capital of S\$3.41 million as at 31 December 2024, despite a net loss attributable to equity holders in FY2024. This resulted in a marginal increase in equity attributable to the owners of the Company from S\$6.97 million as at 31 December 2023 to S\$7.17 million as at 31 December 2024. Correspondingly, net asset value per ordinary share increased from 6.47 Singapore cents as at 31 December 2023 to 6.66 Singapore cents as at 31 December 2024.

Non-current assets increased by 7.0% from S\$5.75 million as at 31 December 2023 to S\$6.15 million as at 31 December 2024. The increase was mainly due to (i) the purchase of motor vehicles amounting to S\$0.23 million, (ii) tenancy renewal of S\$0.40 million arising from ROU assets recognition, and (iii) currency translation reserve of S\$0.22 million as at 31 December 2024. The increase was partially offset by depreciation of S\$0.44 million for FY2024 and amortisation of software which lowered intangible assets by 72.5% from S\$51,000 as at 31 December 2023 to S\$14,000 as at 31 December 2024.

Current assets declined by 8.8% from S\$11.08 million as at 31 December 2023 to S\$10.11 million as at 31 December 2024. The decrease was mainly due to (i) the decrease in inventories by 9.1% to S\$2.98 million as at 31 December 2024, due to lower raw material prices in FY2024, and (ii) the decrease in trade and other receivables by 36.7% to S\$2.50 million as at 31 December 2024 following the disposal of a subsidiary, Eindex (Shenzhen) Environment Technology Co., Ltd. ("Eindex Shenzhen"). The decline was partially offset by the increase in cash and bank balances by 30.4% from S\$3.55 million as at 31 December 2023 to S\$4.63 million as at 31 December 2024.

Non-current liabilities increased by 20.7% from S\$1.98 million as at 31 December 2023 to S\$2.39 million as at 31 December 2024. The increase was due to (i) the net increase of S\$0.36 million as a result of an increase of S\$0.63 million in lease liabilities to finance motor vehicles and machineries under hire-purchase financing scheme, which was partially offset by repayment of bank loans, and (ii) the 21.1% increase in deferred tax liabilities to S\$0.23 million as at 31 December 2024 as a result of a temporary tax difference of S\$35,000 and foreign exchange difference of S\$12,000.

Current liabilities declined by 15.7% from S\$7.95 million as at 31 December 2023 to S\$6.70 million as at 31 December 2024. The decrease was mainly due to the decrease in trade and other payables by 34.7% to S\$4.14 million as at 31 December 2024, resulting from the settlement on the disposal of Eindex Shenzhen. The decrease was partially offset by (i) the increase in loans and borrowings by 57.9% to S\$2.40 million as at 31 December 2024, due to the increase in lease liabilities to finance motor vehicles and machineries under hire-purchase financing scheme; (ii) the increase of contract liabilities by 78.0% to S\$162,000 as at 31 December 2024, due to the increase in advanced payment from customers for ongoing projects; and (iii) the increase in income tax payable by 100% to S\$1,000 as at 31 December 2024.

CASH FLOW ANALYSIS

(S\$'000)	FY2024	FY2023	Variance (%)
Net cash generated from operating activities	554	2,560	(78.4)
Net cash generated from investing activities	156	295	(47.1)
Net cash generated from/(used in) financing activities	162	(1,591)	N.M. ⁽¹⁾
Net cash and cash equivalents	3,922	3,076	27.5

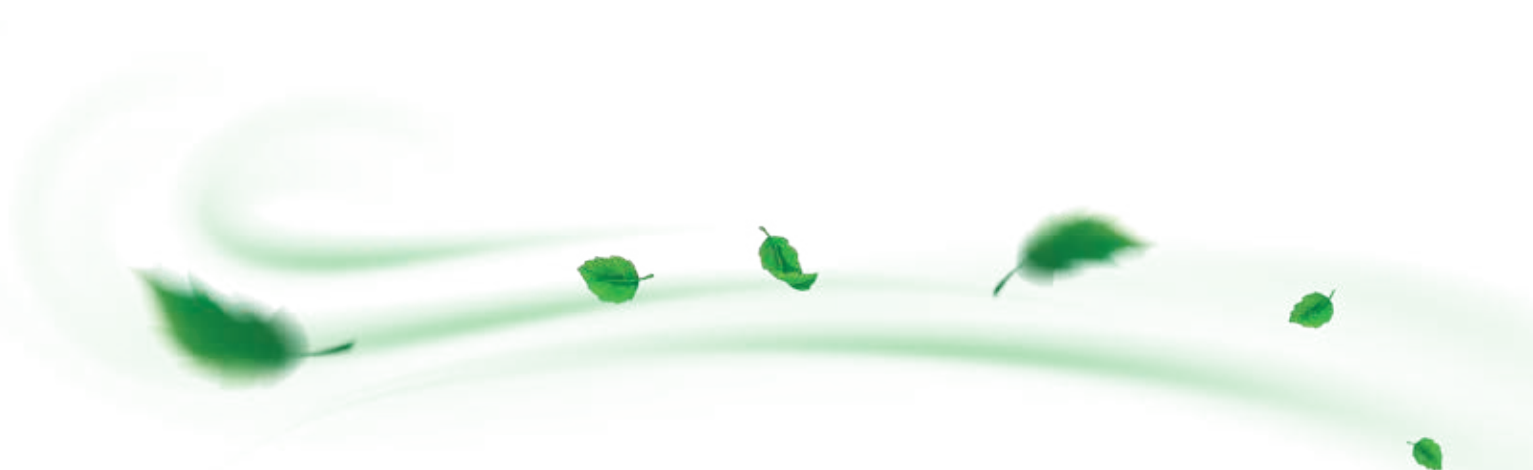
Note:

(1) N.M. denotes as not meaningful.

FINANCIAL REVIEW

The Group generated cash and cash equivalents of S\$0.87 million in FY2024, and the Group's cash and cash equivalents increased from S\$3.08 million as at 31 December 2023 to S\$3.92 million as at 31 December 2024. The Group's cash flow analysis is set out as follows:

- Net cash generated from operating activities in FY2024 was S\$0.55 million. This was mainly due to (i) the decrease in inventories of S\$0.21 million, (ii) the decrease in trade and other receivables of S\$0.81 million, (iii) the increase in contract liabilities of S\$95,000, and (iv) profit before changes in working capital of S\$0.33 million, which was partially offset by (i) the decrease in trade and other payables of S\$0.86 million; and (ii) tax paid of S\$57,000.
- Net cash generated from investing activities in FY2024 was S\$0.16 million. This was mainly due to the receipt of net proceeds from other investments of S\$0.30 million, which was partially offset by (i) the purchase of property, plant and equipment of S\$0.13 million in FY2024; and (ii) the disposal of a subsidiary of S\$28,000.
- Net cash generated from financing activities in FY2024 was S\$0.16 million. This was mainly due to the proceeds from bank borrowings of S\$0.66 million and was partially offset by (i) the repayment of lease liabilities of S\$0.23 million, (ii) the interest paid to financial institutions of S\$0.20 million, and (iii) the repayment of bank loans of S\$68,000.



BOARD OF DIRECTORS



ZHANG WEI

Executive Chairman and
Chief Executive Officer

Mr. Zhang Wei was appointed to our Board as the Non-Executive Chairman on 2 September 2015. He was re-designated to assume the position of Executive Chairman and the Chief Executive Officer of our Company with effect from 15 August 2022, and is responsible for managing and overseeing the overall business operations and performance of our Group. He is also a controlling shareholder of our Company.

Mr. Zhang Wei has over 20 years of experience in various management positions in real estate industry as well as construction and property development companies, including state-owned enterprises in China. Previous appointments include operations manager of China Construction No. 7 Central Company, assistant manager of Henan Xinya Property Co., Ltd, general manager and subsequently managing director of Henan Xinfeng Property Co., Ltd, general manager of Henan Province Port Company, and managing director of Henan Fenghua Industry Limited Company.

He graduated from Zhongzhou University with a diploma in law in 1990. He was certified as an economist by Henan Province Science Committee in 1996. He also obtained a Master of Business Administration from Macau University of Science and Technology in 2003.



JIANG NAN

Non-Independent and
Non-Executive Director

Ms. Jiang Nan was appointed to our Board on 1 October 2020.

She is currently the chairman of China Construction Investment Group Engineering Technology Co., Ltd.

From 2013 to 2015, she was the chairman of Beijing Tianrong Wealth Investment Fund Management Limited, where she led the issuance of various bonds and the management of investment fund. From 2010 to 2013, she was the chairman of Beijing Jinhongda Financial Advisory Limited where she participated in merger and acquisition, equity financing and bond issuance exercises.

She graduated with a Bachelor of Finance degree from the Beihang University in 2004.



ONG KIAN GUAN

Lead Independent Director

Mr. Ong Kian Guan was appointed to our Board on 23 April 2022.

He is currently the Managing Partner and Head of Capital Markets of Baker Tilly TFW LLP, one of the top 10 largest accountancy and business advisory firms in Singapore. He has more than 30 years' audit, consulting, commercial financial control and accounting experience.

He has a vast experience in serving as an independent director of the board and a member of the various board committees of a number of listed companies. He is currently an independent director of China XLX Fertiliser Ltd and Omnibridge Holdings Limited, companies listed on the Hong Kong Stock Exchange.

He graduated from the Nanyang Technological University in Singapore in 1992 and holds a Bachelor of Accountancy degree. He also holds fellow memberships with the Institute of Singapore Chartered Accountants and CPA Australia.

BOARD OF DIRECTORS



WONG CHEE MENG LAWRENCE

Independent Director

Mr. Lawrence Wong was appointed to our Board on 8 December 2015.

He is an established corporate practitioner with extensive legal experience. He is currently a consultant with Donaldson & Burkinshaw LLP.

His areas of practice include corporate and securities laws, capital markets, mergers and acquisitions, corporate restructuring, joint ventures, corporate and commercial contracts, regulatory compliance and corporate governance advisory and corporate secretarial work. He has led numerous initial public offerings, reverse take-overs, secondary fund raising and cross-border mergers and acquisitions exercises. He was also previously a registered professional and headed a continuing sponsor company approved by the SGX-ST.

He graduated from the National University of Singapore in 1991 with a degree in law on a scholarship from the Public Service Commission of Singapore. Subsequently, he accumulated an extensive working experience in both the public and the private sectors of the legal profession. He is an advocate and solicitor in Singapore and a solicitor in Hong Kong SAR. He has been recognised in leading legal publications such as IFLR 1000, The Legal 500 Asia Pacific for Corporate and M&A and Acquisition International.

He is currently an independent director of Atlantic Navigation Holdings (Singapore) Limited which is listed on the SGX-ST.

He holds a Bachelor of Law (Honors) degree from the National University of Singapore.



JEFFREY ONG SHEN CHIEH

Independent Director

Mr. Jeffrey Ong was appointed to our Board on 8 December 2015.

He is currently a director of Sakal Capital Pte Ltd, an investment holding firm, where he is responsible for the origination of investment opportunities across Asia as well as overseeing the transaction execution process of investment opportunities. He has held this position since March 2016. He is also a director and the sole shareholder of Investing Point VCC, an investing holding company for his personal investments. From December 2020 to March 2025, he was the executive director and chief executive officer of V2Y Corporation Ltd. (formerly known as Synagie Corporation Limited), a company listed on the Catalist board of the SGX-ST. In 2024, he was appointed as the lead independent director of Attika Group Ltd on 25 September 2024, a company listed on the Catalist board of the SGX-ST.

From 2006 to 2008, he was a senior manager with Provenance Capital Pte. Ltd., undertaking various aspects of corporate finance advisory work including initial public offerings. From 2008 to 2012, he assumed the role of senior vice president of investments at EV Capital Pte Ltd, where his work included due diligence and feasibility studies for investments. From March 2012 to February 2016, he was the head of new business development at ORIX Leasing Singapore Limited where he was responsible for developing new businesses for the company through both product development and acquisitions.

He holds a Bachelor of Science degree in Real Estate from the National University of Singapore.

KEY MANAGEMENT

**CHUA BOON PING**

Financial Controller

Mr. Chua Boon Ping was appointed as the Financial Controller of our Company on 15 May 2023, and is responsible for the financial management and statutory reporting of our Group.

Prior to joining our Group, he worked in Giken Sakata (S) Limited, a wholly-owned subsidiary of GSS Energy Limited, a company listed on the Catalist board of the SGX-ST, from April 2013 to January 2023, where he held various roles over the years within the finance department, overseeing financial matters and corporate affairs, before assuming the position of financial controller. He was an auditor with a local audit firm in Singapore prior to joining Giken Sakata (S) Limited.

He holds a Bachelor of Finance and Accounting degree from the University of Bradford.

**ZHUANG XIN**

Vice President

Mr. Zhuang Xin joined our Group as Vice President on 1 August 2022, and is responsible for the overall management of our Group's operations in the Asia Pacific region. He is a controlling shareholder of our Company.

Prior to joining our Group, he was a Financial Controller in Weiye Holdings Limited, the controlling shareholder and immediate holding company of our Group, where he was responsible for the financial reporting and corporate affairs of Weiye Holdings Limited. Prior to joining Weiye Holdings Limited in December 2016, he had 5 years of audit experience with a local audit firm in Singapore and has in-depth knowledge and experience in the construction industry.

He holds a Bachelor of Accountancy degree from the Edith Cowan University of Australia.

SUSTAINABILITY REPORT

BOARD STATEMENT

The board of directors ("**Board**") of Eindex Corporation Limited ("**Eindex**" or the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to present the annual sustainability report for the financial year ended 31 December 2024 ("**FY2024**").

The ongoing geopolitical uncertainty and trade tensions, coupled with the decline of China's real estate sector, led the Group to continue our rationalisation initiatives, including the cessation of our air purification integrated Solutions ("**AP**") business in China in 2024. The focus was on enhancing economic resilience through the heating, ventilation, and air-conditioning ("**HVAC**") and clean room equipment ("**CRE**") segments, primarily in Singapore, Malaysia, and Southeast Asian markets, while carefully exploring diversification opportunities to promote sustainability.

While we are determined to drive stability and sustainability for our businesses, underscored by the upcoming developments in the real estate sector in Singapore and Malaysia, we remain cautious, as intense competition amid rising inflationary costs of production and labour may mitigate growth of the Group. Nevertheless, the Group remains committed to striving towards safeguarding the interests of our stakeholders with prudence.

This sustainability report focuses on our key economic, environmental, social, and governance ("**ESG**") performance in FY2024 and includes wholly-owned entities of the Group's business operations in Singapore and Malaysia. These business operations primarily involve the designing, manufacturing, selling, and distribution of CRE and HVAC equipment to support the clean air environmental solutions and systems for various industries, such as electronics, medical science, healthcare, real estate, and marine. During FY2024, we disposed of the underperforming AP segment and expanded into the trading and distribution of food, agricultural, and fishery products business in China ("**TRADING**") as part of the Groups' restructuring efforts. We will monitor and deliberate on including the TRADING operations in China as part of the scope of our sustainability performance in the future.

This sustainability report has been prepared with reference to the 2021 Global Reporting Initiative ("**GRI**") Sustainability Reporting Standards ("**GRI Standards**") and is in compliance with Rules 711A and 711B of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst (the "**Catalist Rules**") as well as the SGX-ST's Sustainability

Reporting Guide. We have chosen the GRI framework as it is a well-known and globally recognised sustainability reporting standard. In view of the latest enhancement to the sustainability reporting regime announced by the SGX-ST on 23 September 2024, the Company endeavours to work towards greater maturity of its climate-related disclosures by incorporating climate-related requirements in the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board ("**ISSB**") for the financial year ending 31 December 2025 ("**FY2025**").

The Board will continue to oversee the Sustainability Committee, and together we monitor and validate the sustainability practices that are material to our businesses, improving our disclosures and progressively updating our targets as we continue to strengthen our fundamentals.

While external assurance has not been sought for this sustainability report, our internal auditors performed an annual review of our internal audit plan and note that our sustainability reporting processes are in line with the International Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Auditors.

This sustainability report forms part of the annual report of the Group for FY2024, which is available on Eindex's corporate website at www.eindex.com.sg and on SGXNet at www.sgx.com/securities/company-announcements.

We thank our stakeholders for their support and we welcome feedback from them with regard to our sustainability practices, which could potentially assist us to improve on our policies and systems. You may reach out to us at enquiry@eindex.com.sg.

On behalf of the Board

ZHANG WEI

Executive Chairman and Chief Executive Officer

9 April 2025

SUSTAINABILITY REPORT



SUSTAINABILITY GOVERNANCE

At Eindec, we focus on delivering sustainable values to our stakeholders: the Board, customers, employees, shareholders and investing community, suppliers/business partners, and government and regulators. We are committed to ensuring the relevance of the EESG factors and continue to manage the EESG impacts through integrating and implementing policies, systems and processes to manage potential risks and opportunities present in our businesses.

We acknowledge the importance of effective EESG strategy and implementation across our business operations. We also believe that our sustainability approach in cultivating sustainable values within the Group and passing them on to our external stakeholders will correspondingly generate stable and sustainable values for our stakeholders, thereby safeguarding interests of our stakeholders.

The Group has in place a Sustainability Committee ("SC"), comprising key management executives and supported by representatives from various departments ("Sustainability Owners"), and chaired by the Executive Chairman and Chief Executive Officer of the Group. The SC reports to the Board during Board meetings, where the Board will review and consider the sustainability issues, as well as deliberate on the possibilities that could be adopted into our day-to-day operations to improve the overall well-being.

The Board maintains efficient oversight over the SC, and reviews and considers sustainability issues and practices as part of the formulation of our strategies and policies to better manage sustainability risks and opportunities

while ensuring all EESG and climate-related matters significant to our businesses are addressed. Material EESG factors are reviewed and approved by the Board, who also oversees the management and monitoring of such material EESG factors, while the management of the Group has the responsibility to ensure that the EESG factors are monitored on an ongoing basis and properly managed.

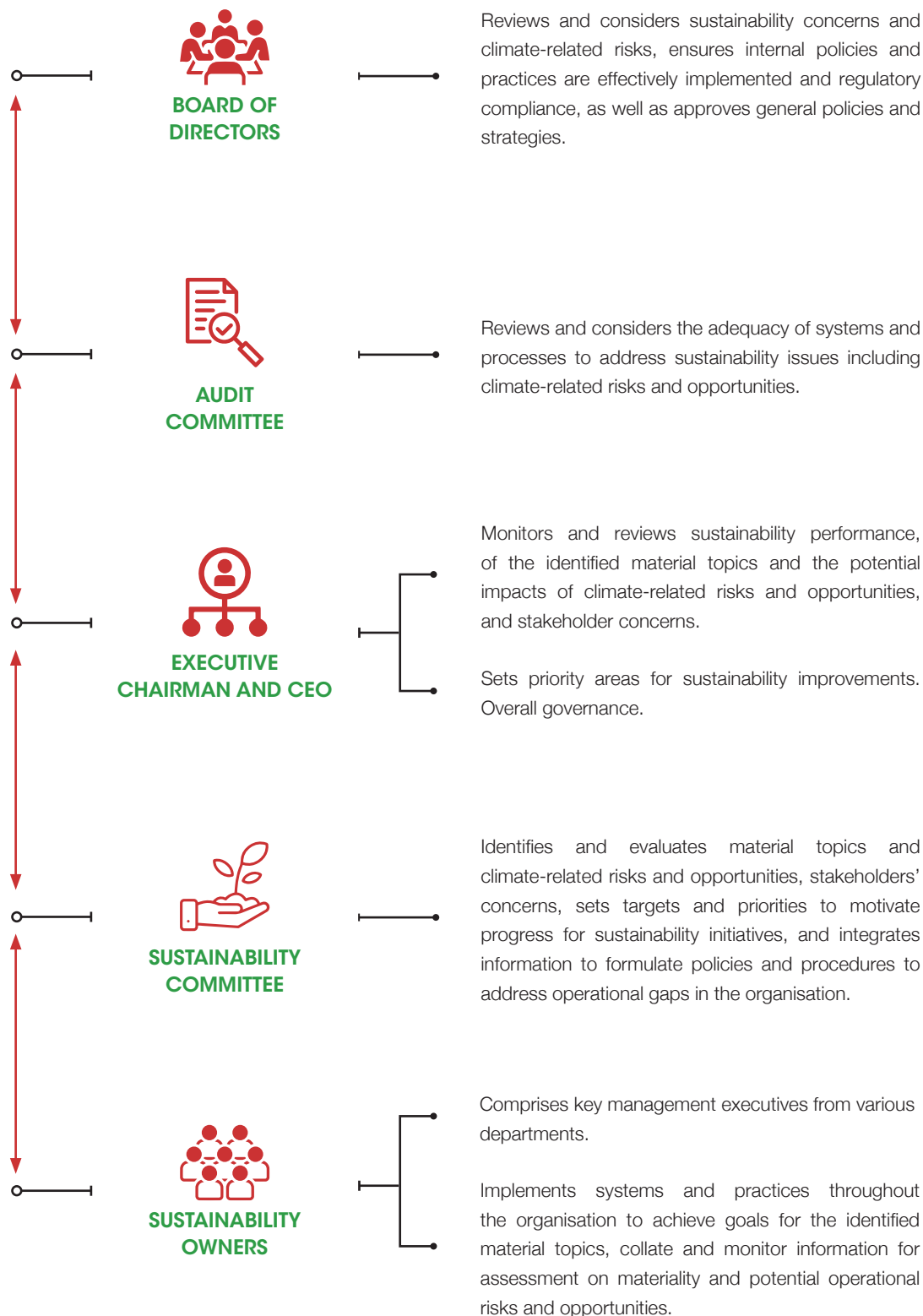
The SC is responsible for reviewing the Group's sustainability performance and material topics, analysing climate-related risks and opportunities, addressing stakeholder concerns, and setting targets and goals for material factors. The Sustainability Owners will implement systems and practices throughout the organisation to collect, verify, monitor, and report information required for sustainability reporting, as well as collate and monitor information for assessment on materiality and potential risks and opportunities. The SC meets at least once a year to discuss, propose, coordinate, and promote the sustainability practices within the Group.

We have also formalised the Sustainability Reporting Policy to reinforce our commitment to the sustainability of the Group, and this policy serves as a reference for the conduct of our sustainability reporting. The Board has also kept itself abreast of the rising concerns about sustainability and climate-related topics through continuous training and education.

In view of the latest enhancement to the sustainability reporting regime announced by the SGX-ST on 23 September 2024, the Group endeavours to work towards greater maturity of its climate-related disclosures by incorporating climate-related requirements in the IFRS Sustainability Disclosure Standards issued by the ISSB in FY2025.

SUSTAINABILITY REPORT

Sustainability Reporting Structure



We remain committed to generating sustainable values for our stakeholders by managing the EESG impacts as well as potential risks and opportunities present in our businesses.

SUSTAINABILITY REPORT

Stakeholder Engagement

At Eindec, we believe sustainable operations require regular communication with both internal and external stakeholders. We remain committed to strengthening mutually beneficial relationships with our stakeholders through effective communication in our growth journey together.

Our engagements with our key stakeholders are summarised as follows:

Key Stakeholders	Communication Platforms	Areas of Concerns	Our Initiatives
INTERNAL			
Board of Directors	<ul style="list-style-type: none"> Board meetings Regular updates via electronic communications (emails, phone calls, video-conferencing) 	<ul style="list-style-type: none"> Ensure internal policies and practices are current and effectively implemented and monitored throughout the organisation Regulatory compliance 	<ul style="list-style-type: none"> Regular updates on corporate activities, developments, and financial performance Seek advice and approvals from the Board on all material proposed developments
Employees	<ul style="list-style-type: none"> Regular internal communications through meetings and electronic communication (emails, phone calls, video-conferencing) Regular reviews of working environment and welfare Training and development programmes Recreational activities Employee feedback 	<ul style="list-style-type: none"> Career stability and prospect Training opportunities Competitive salaries and benefits Pleasant and safe working environment 	<ul style="list-style-type: none"> Ensure effective implementation of human resources policies, internal systems and procedures Regular meetings to review safety and healthy working environment and measures Sponsor employees to attend courses and conferences regularly Formal and informal get-togethers to strengthen working relationships among employees Annual performance appraisals
EXTERNAL			
Shareholders and Investing Community	<ul style="list-style-type: none"> Regular announcements/ updates on SGXNet Annual general meeting and/or extraordinary general meeting Company website Emails Annual and sustainability reports 	<ul style="list-style-type: none"> Financial performance Business sustainability and profitability Dividends and/or investment returns Industry prospect and market presence Transparency and good corporate governance 	<ul style="list-style-type: none"> Ensure all public disclosures on corporate results and developments are disclosed accurately and timely via official announcements as and when required Conduct general meetings with shareholders at least once a year Ensure sustainable business operations

SUSTAINABILITY REPORT

Key Stakeholders	Communication Platforms	Areas of Concerns	Our Initiatives
Customers	<ul style="list-style-type: none"> Regular customer feedback via surveys, dialogue sessions, and meetings Regular follow-ups and support services via calls and face-to-face meetings Email enquiries Networking events 	<ul style="list-style-type: none"> Quality control and assurance On-time delivery, installation, and post-project services Technical support Reasonable payment terms Competitive pricing 	<ul style="list-style-type: none"> Product and quality certifications to ensure product quality consistency Ensure requirements and compliance with standards are met for all products manufactured and sold Active follow-ups with customers on product applications and requirements Update customers on new products Provide timely updates to customers
Suppliers/ Business Partners	<ul style="list-style-type: none"> Regular engagement meetings Trade shows/networking events Electronic communication (emails, phone calls, video-conferencing) 	<ul style="list-style-type: none"> Timely payment and adherence to agreed terms Competitive pricing Quality of goods and services 	<ul style="list-style-type: none"> Regular review, assessment, and feedback on quality and requirements Ensure compliance with safety standards and environmental laws and regulations Perform periodic evaluations
Government and Regulators	<ul style="list-style-type: none"> Meetings when required Electronic communication (emails, phone calls) Clear and concise communication through external professionals and agencies Regular announcements/updates on SGXNet 	<ul style="list-style-type: none"> Corporate governance and regulatory compliance Occupational health and safety Environmental compliance Socioeconomic issues 	<ul style="list-style-type: none"> Ensure compliance with applicable laws and regulations in respective countries of operations Regular communication with external professionals and agencies Correspondence with relevant authorities as and when necessary Ensure all public disclosures are disclosed accurately and timely via official announcements as appropriate



SUSTAINABILITY REPORT

Materiality Assessment

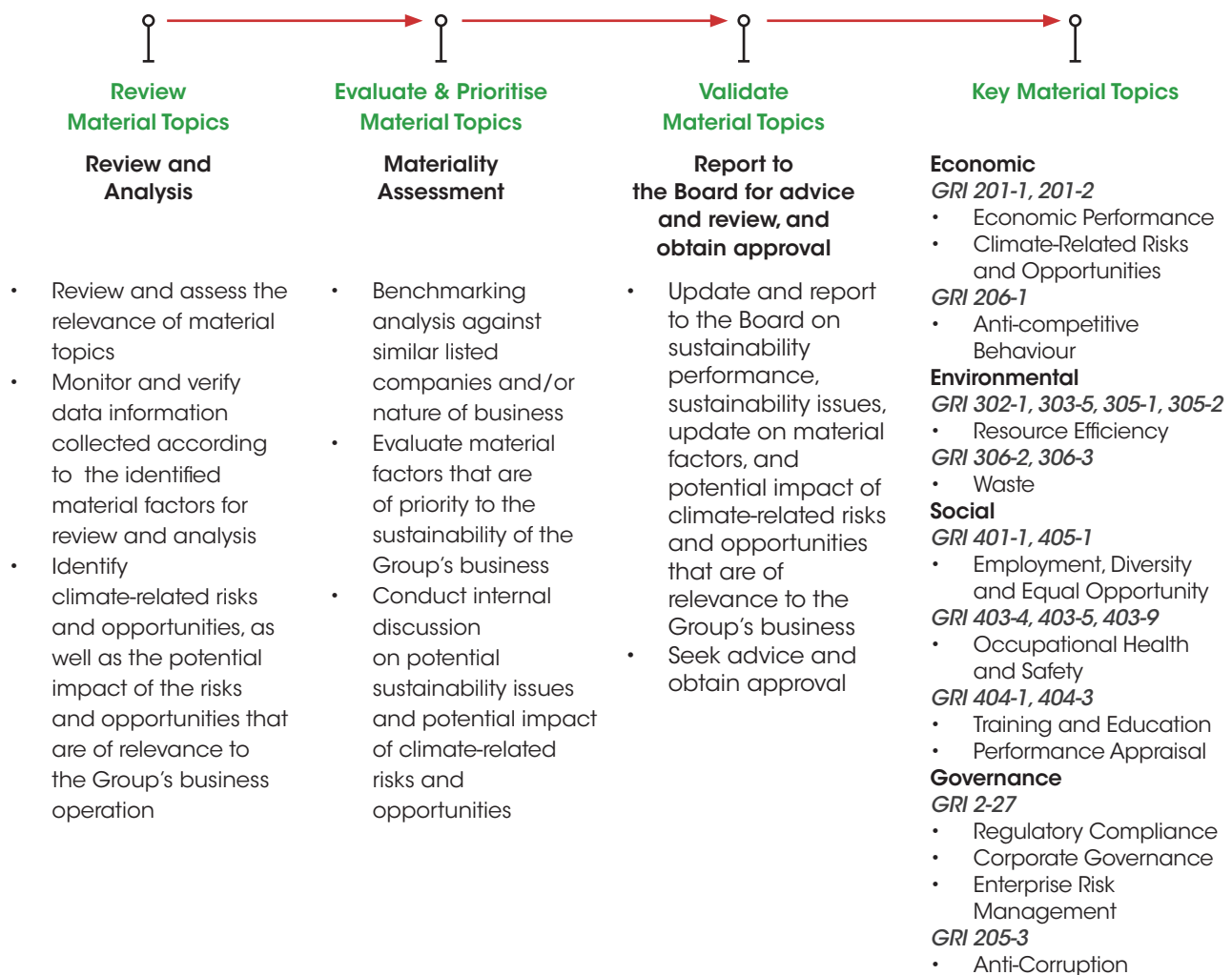
The Group conducted an internal analysis on the relevance of the material topics to the latest requirements of the GRI Standards and the Catalyst Rules. We evaluated the material analysis criteria based on acceptable industry standards, analysed peer benchmarking information of companies in similar operations and management awareness, and considered our internal auditors' recommendations based on the annual audit cycle that was performed.

The relevant material topics identified and their level of importance was decided based on discussions held with internal stakeholders with representatives from both the Group's external and internal stakeholders for purposes of performing the ranking in FY2024. We also presented these material topics to the Board for their review and approval for inclusion in this sustainability report.

We ensure that data collected is in accordance with the selected material topics relevant to our business operations in order to perform a meaningful analysis of our sustainability performance for FY2024. Data collection incorporated into operational activities facilitates regular monitoring and allows for efficient response if an occurrence event were to happen. We continue to address material topics that are relevant and important to the Group's operations while making progress towards meeting the new GRI Standards in the near future. Similarly, the analysis of our performance allows us to set targets for the relevant material topics for FY2025.

We remain committed to enhancing our interactions with our stakeholder groups in relation to the material topics that have been identified as we continue our restructuring efforts in the face of global economic challenges. Although we have initiated internal discussions and evaluated the potential impact of climate-related risks and opportunities on our business operations, we will maintain a progressive approach in tandem with the Group's available resources to enhance the Group's disclosures in future sustainability reports.

The sustainability reporting process and specific disclosures for each GRI Standard reported under the various material topics are set out in the chart below.



SUSTAINABILITY REPORT

MATERIAL TOPIC: ECONOMIC

Economic Performance

GRI 201-1

In response to the protracted geopolitical uncertainties and trade tensions, as well as the doldrums in China's real estate sector, the Group rationalised loss-making entities and pursued diversification opportunities to drive sustainable growth, particularly in the second half of FY2024 ("2H FY2024").

During FY2024, the Group discontinued the AP segment and embarked on the TRADING segment in China, while continuing to drive growth in the CRE and HVAC segments in the Southeast Asia region. Despite improvement of financial performance in 2H FY2024, the Group recorded a year-on-year decline in revenue of 13.6%, from S\$15.90 million in FY2023 to S\$13.73 million in FY2024. The Group's gross profit decreased by 9.8% year-on-year from S\$4.49 million in FY2023 to S\$4.05 million in FY2024, underscored by a favourable product mix, enhanced cost controls and a reduction in material costs, which resulted in an improvement in gross margins from 28.2% in FY2023 to 29.5% in FY2024. Taking into account total operating and tax expenses, the Group registered a net loss attributable to shareholders of S\$0.15 million in FY2024, a reversal from a net profit attributable to shareholders of S\$0.21 million in FY2023.

Please refer to the following sections in this annual report for details on our operations and financial information for FY2024:

- Operations Review on page 5 to 7
- Financial Review on page 8 to 11
- Financial Statements on page 79 to 131

The table below provides an analysis of our economic value distributed to various stakeholders, and the economic value retained over the last three financial years.

Direct Economic Value Generated and Distributed

GRI 201-1

(in SGD thousands)	FY2024	FY2023	FY2022
Economic value generated	13,730	15,895	25,876
Economic value distributed	(14,314)	(16,344)	(24,153)
Operating costs	(9,790)	(11,480)	(19,971)
Employee wages and benefits	(4,204)	(4,487)	(3,944)
Payments to providers of capital	(291)	(315)	(352)
Payments to government by country (taxes)	(29)	(62)	114
Economic value retained	(182)	(153)	1,927

Notes:

- Operating costs include cost of sales, marketing and distribution expenses, other expenses and exclude employee wages and benefits.
- Employee wages and benefits include Directors' remuneration and employee salaries.
- Payments to providers of capital denotes interest paid to banks.
- Payments to government by country (taxes) denotes income taxes paid.

Performance in FY2024

- Did not achieve targets in maintaining profitability in FY2024.
- Recorded net loss attributable to shareholders of S\$0.15 million in FY2024 compared to net profit of S\$0.21 million in FY2023.
- Continued to streamline non-performing business amid intense competition and economic slowdown, and diversified into new trading and e-commerce business to improve financial performance during FY2024.

Targets for FY2025

- To strengthen the Group's fundamentals by building on existing businesses and exploring opportunities.
- To strive to improve financial performance amid ongoing global trade tensions, geopolitical uncertainties, economic slowdown, and rising costs of operations.

SUSTAINABILITY REPORT

Climate-Related Risks And Opportunities

GRI 201-2

The Group is aware of the recent changes to the SGX RegCo's improved framework for sustainability reporting. This framework now requires the incorporation of the IFRS Sustainability Disclosure Standards (IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2: Climate-related Disclosures), which were issued by the ISSB, which were built on the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") that the SGX RegCo has mandated in a phased approach since financial year 2022. We comprehend that these standards will establish a global standard for sustainability-related disclosures and for disclosing the impact of climate-related risks and opportunities on a company's prospects.

The Group is conscious of the hazards that climate change poses to both our industry and business, as well as to society at large. We are devoted to comprehending climate-related risks and opportunities and integrating contingency plans into the Group's strategy and operations for risk management and sustainability.

In the past two financial years, we have systematically implemented the TCFD recommendations while monitoring and reporting our Scope 1 and Scope 2 greenhouse gas emissions ("GHG") to establish our baseline emissions during our ongoing rationalisation efforts.

We have also conducted preliminary discussions on identifying and assessing climate-related risks that are critical to the Group's business sustainability in FY2023. Due to the updated changes, we endeavour to incorporate our relevant disclosures in accordance to IFRS S1 and IFRS S2 in the subsequent sustainability reports.

Performance in FY2024

- Achieved targets in reporting Scope 1 and Scope 2 of GHG emissions under IFRS S2.

Targets for FY2025

- To conduct internal discussions to identify and assess climate-related risks and opportunities that could be critical to the Group's sustainability.
- To explore and consider scenario analysis to assess climate resilience in a progressive manner.



SUSTAINABILITY REPORT

Anti-Competitive Behaviour GRI 206-1

We are committed to conducting our businesses in an ethical and fair manner. While we continue to look into enhancing our clean-air environmental solutions and services to meet our customers' evolving needs, we are also collaborating with business partners to broaden our product and service offerings and increase our market presence in both new and existing markets. Please refer to the Operations Review section of this annual report for FY2024 for more details on the Group's revenue analysis by geographical location and product segment.

The Group has implemented a Fraud and Whistle-blowing Policy, which ensures all employees have access to a designated mailing address and email address where they can raise any concerns they may have regarding potential improprieties in financial reporting or any other matters of contention. The reporting will ensure that:

1. independent investigations are carried out in an appropriate and timely manner;
2. appropriate action is taken to correct the weakness in internal controls and policies which allowed the perpetration of fraud and/or misconduct and to prevent a recurrence; and
3. administrative, disciplinary, civil, and/or criminal actions that are initiated following the completion of investigations are appropriate, balanced, and fair while providing reassurance that employees will be protected from reprisals or victimisation for whistle-blowing in good faith and without malice.

Please refer to the Corporate Governance Report section of this annual report for FY2024 for more details on the Group's policies and practices:

- The Board's Conduct of Affairs on page 38 to 43
- Risk Management and Internal Controls on page 57 to 58

Performance in FY2024

- Achieved targets set for FY2024.
- Recorded zero incidence of anti-competitive behaviour or anti-trust violation in FY2024.

Targets for FY2025

- To maintain zero incidence of anti-competitive behaviour or anti-trust violation.



SUSTAINABILITY REPORT

MATERIAL TOPIC: ENVIRONMENTAL

Resource Efficiency

GRI 302-1, 303-5, 305-1, 305-2

As the air environmental solutions and services business remains the main revenue driver and energy consumer of the Group, we are committed to monitoring and recording energy data from our operations in Malaysia and Singapore to understand the efficiency of our resources and environmental footprint. We have computed the total annual GHG emissions, measured in accordance with the GHG Protocol as required under IFRS Sustainability Disclosure Standard S2 ("IFRS S2").

Our manufacturing facility in Malaysia, as well as offices in Singapore and Malaysia, primarily use electricity from the grid to produce clean room equipment and HVAC products. While there were increases in construction and real estate development activities in both Malaysia and Singapore, competition within our industry was intense. This led to lower production, deliveries, and sales, resulting in lower fuel consumption for vehicles and generator sets used in both our Singapore and Malaysia operations in FY2024.

The total energy consumed by the Group in FY2024 was 5,167.7 gigajoules ("GJ"), which included 1,941.5 GJ of fuel and 3,226.2 GJ of electricity. The total energy consumed for the Group's businesses in Singapore and Malaysia was 10.1% less than the 5,747.3 GJ of total energy consumed in FY2023. The Group's overall GHG emissions decreased from 7,981.9 tonnes CO₂e ("tCO₂e") in FY2023 to 7,153.3 tCO₂e in FY2024. The carbon emission intensity increased from 502.2 tCO₂e per SGD million of revenue in FY2023 to 521.0 tCO₂e per SGD million of revenue in FY2024, reflecting lower efficiency of resources as lower revenue was generated in FY2024.

The local municipal water supply in the countries we operate provides the water we consume. The total volume of water consumed for the Group's operations in Singapore and Malaysia decreased by 6.0% from 3.49 megaliters ("ML") in FY2023 to 3.28 ML in FY2024 due to a decrease in the number of employees. The production process at our manufacturing facility in Malaysia does not require a lot of water, and it has in place water reserves as a contingency measure. Therefore, we do not foresee any financial impact in the event of water shortage.

Given the Group's ongoing efforts to address current macroeconomic challenges, such as trade tensions and a global economic slowdown, through rationalisation efforts, we believe it is both fair and reasonable to set our objectives once a more comprehensive understanding of our baseline has been achieved, at which point our business operations will have stabilised.

Performance in FY2024

- Did not achieve targets set for FY2024 to reduce or at least maintain our carbon intensity level.
- Recorded an energy consumption of 1,941.5 GJ of fuel and 3,226.2 GJ of electricity in FY2024.
- Overall GHG emissions decreased from 7,981.9 tCO₂e in FY2023 to 7,153.3 tCO₂e in FY2024 as business competition intensifies.
- Carbon emission intensity increased to 521.0 tCO₂e per SGD million of revenue in FY2024, reflecting lower efficiency of resources as lower revenue was generated in FY2024.
- Due to a reduction in staff strength, the total volume of water consumed reduced by 6.0% from 3.49 ML in FY2023 to 3.28 ML in FY2024.

Targets for FY2025

- To monitor and assess our progress as the Group continues to address current macro business challenges such as trade tensions and global economic slowdown.
- To reduce or at least maintain our carbon emission intensity level as we strive to improve resource efficiency and generate revenue growth simultaneously.



SUSTAINABILITY REPORT

Energy Consumed From Non-Renewable Sources GRI 302-1

Energy Source	Group Consumption (in GJ)			CAGR ⁽¹⁾ (%)
	FY2024	FY2023	FY2022	
Fuel (petrol and diesel)	1,941.5	2,156.7	2,028.1	(2.2)
Electricity	3,226.2	3,590.6	3,945.8	(9.6)
Total energy consumed	5,167.7	5,747.3	5,973.9	(7.0)

Notes:

(1) CAGR refers to the year-on-year compounded annual growth rate.

(2) The Group started to collect data for electricity usage in FY2022.

Direct (Scope 1) and Energy Indirect (Scope 2) GHG Emissions GRI 305-1, GRI 305-2

GHG Emissions (in tCO ₂ e)	FY2024	FY2023	FY2022	CAGR ⁽¹⁾ (%)
Scope 1	5,022.7	5,603.5	5,284.9	(2.5)
Scope 2	2,130.6	2,378.4	2,615.8	(9.7)
Total GHG Emissions	7,153.3	7,981.9	7,900.7	(4.8)

Notes:

(1) CAGR refers to the year-on-year compounded annual growth rate.

(2) Conversion factors are sourced from <https://www.ema.gov.sg/resources/singapore-energy-statistics/chapter2> and Institute for Global Environmental Strategies <https://www.iges.or.jp/en/pub/list-grid-emission-factor/en>.

Water Consumed From Third-Party (Local Municipal Water Supply) GRI 303-5

Consumption (in ML)	FY2024	FY2023	FY2022	CAGR ⁽¹⁾ (%)
Total consumption	3.28	3.49	2.47	+ 9.9

Note:

(1) CAGR refers to the year-on-year compounded annual growth rate.



SUSTAINABILITY REPORT

WASTE

GRI 306-2, 306-3

The Group is committed to environmental preservation and conservation. Our manufacturing plant in Malaysia, which manufactures our proprietary CRE as well as HVAC products, continues to comply with the applicable rules and regulations for Licensed Manufacturing Warehouse under the Malaysian Customs Act.

As a manufacturer, we are committed to optimising our resources to meet our customers' requirements; monitoring and minimising waste creation is a critical aspect to improving cost savings.

Waste materials generated during our manufacturing operations are identified and classified into hazardous and non-hazardous wastes for proper handling and disposal at a central location in the manufacturing facility. We manage waste collection and the licensed waste collector manage the disposal.

Hazardous waste consists primarily of paint and used thinners, whereas non-hazardous waste comprises aluminium and paper related items. We continue to work with licensed third-party service providers to ensure proper waste disposal.

During FY2024, there was a significant decrease in the hazardous waste generated, which decreased by 75.7% to 7,010 kilograms ("**KG**"), down from 28,840 KG. This was due to lower requirements for paint and thinner in the production of CRE and HVAC products in FY2024. The total amount of waste generated decreased by 35.7%, from 68,646 KG in FY2023 to 44,166 KG in FY2024.

Non-hazardous waste, such as metal and aluminium, is sold as scrap as a form of recycling, and the proceeds are recognised as other income on the profit and loss statement.

In FY2024, the Group maintains zero incidence of non-compliance with the relevant laws and regulations relating to waste disposal. We remain committed to doing our part to protect the environment, and we are stepping up our efforts to save energy and recycle in the workplace. These include reducing unnecessary waste through methods such as double-sided printing, printing on recycled paper, and turning off office lights when not in use.

Performance in FY2024

- Achieve targets on reducing the amount of waste generated per SGD million of revenue for FY2024.
- Generated a total of 44,166 KG of waste in FY2024, a decrease from 68,646 KG in FY2023.
- 3,216.7 KG of waste was generated per SGD million revenue in FY2024, as compared to 4,318.7 KG of waste per SGD million of revenue in FY2023.
- Recorded zero incidence of non-compliance with the relevant laws and regulations relating to waste disposal.

Targets for FY2025

- To maintain zero incidence of non-compliance with the relevant laws and regulations relating to waste disposal.
- To reduce or at least maintain the amount of total waste generated per SGD million of revenue.
- To minimise unnecessary wastage on the amount of metal and aluminium waste generated.

Type of waste (in KG)	FY2024	FY2023	FY2022	CAGR ⁽¹⁾ (%)
Hazardous	7,010	28,840	35,256	(55.4)
Non-hazardous	37,156	39,806	35,052	3
Total amount of waste	44,166	68,646	70,308	(20.7)

Note:

(1) CAGR refers to the year-on-year compounded annual growth rate.

SUSTAINABILITY REPORT

MATERIAL TOPIC: SOCIAL

Employment, Diversity and Equal Opportunity

GRI 401-1, 405-1

The Group remains committed to providing a nurturing workplace that advocates fairness, justice, respect, and inclusiveness for employees, as our diverse workforce reflects the diversity of markets and customers we serve. We believe the continual growth of our business and sustainable success are integrated with the health, career growth, and well-being of our employees.

At Eindec, we value our employees as fellow members of the organisation with an aligned vision of doing well together in our roles and responsibilities. In the Group, we prohibit any form of forced labour, human trafficking, and modern slavery. The Group's recruitment, remuneration, promotion, and benefits are handled based on objective assessments, equal opportunities, and non-discrimination regardless of race, age, gender, marital status, religion, ethnicity, physical impairments, sexual preference, political viewpoints, or nationality. We have in place our Employees Handbook that adheres to the legislation and guidelines in the respective country of operations. We regularly review remuneration policies and packages to ensure that they align with the employment market and industry benchmarks. This process helps the Group in our recruitment and retention of talent.

All our employees are paid fair wages in line with the respective local regulations, and overtime work is optional, as our employees are given the option to decide whether they wish to work overtime. We believe that providing this flexibility fosters a positive working environment and helps maintain a healthy work-life balance for everyone in our team. This approach not only enhances employee satisfaction but also contributes to higher productivity and employee morale. By prioritising the well-being of our employees, we cultivate a culture of trust and respect within the organisation in accordance with the local employment law in the respective countries of operation.

To improve employee cohesion and talent retention, we plan to hold teambuilding activities every six (6) months. We have maintained three (3) employee engagement activities in the year under review as part of our teambuilding and staff bonding programmes, and two employees were dismissed in FY2024 due to underperformance in work related matters. The Group maintains our commitment to zero incidence of non-compliance with the relevant laws and regulations relating to fair employment practices.

Due to the nature of our work, the Group remains male-dominated, particularly in the manufacturing operations in Malaysia. Our male employees increased from approximately 77.6% in FY2023 to approximately 78.1% in FY2024, while the proportion of female employees declined from approximately 22.4% in FY2023 to 21.9% in FY2024. As we strive to expand within our well-established clean air environmental industry, we expect the proportion of male employees to remain above 70% in the near and medium term.

Performance in FY2024

- Achieved targets set for FY2024.
- Recorded zero reported incidence of non-compliance with the relevant laws and regulations relating to fair employment practices.
- Maintained a young workforce, with approximately 84.5% of under 50 years of age.
- Held three (3) employee engagement activities to improve employee cohesion and talent retention.

Targets for FY2025

- To maintain zero incidence of non-compliance with the relevant laws and regulations relating to fair employment practices.
- To monitor and review the recruitment procedures and systems to ensure fair and non-discrimination in hiring.
- To maintain at least two (2) employee engagement activities to improve employee cohesion and talent retention.

SUSTAINABILITY REPORT

Our headcount in Singapore and Malaysia decreased by 3.0%, from 165 in FY2023 to 160 in FY2024. The Group maintains a staff strength of young employees, with approximately 84.5% of our workforce being under 50. Despite business activities normalising, we continue cautious hiring practices due to growing inflationary pressure on our fixed operational expenses and customer-initiated project delays and postponements in capital investments amid geopolitical uncertainties and trade tensions in FY2024. Nonetheless, our employee turnover rate remained relatively consistent, increasing from 12.4% in FY2023 to 12.9% in FY2024.

The demographics of our employees for our operations in Singapore and Malaysia are as follows:

Employees by Gender and Location

Location/Gender	FY2024		FY2023		FY2022	
	Male	Female	Male	Female	Male	Female
Singapore	62.5%	37.5%	60.6%	39.4%	58.8%	41.2%
Malaysia	82.0%	18.0%	81.8%	18.2%	79.7%	20.3%
Group Average	78.1%	21.9%	77.6%	22.4%	75.2%	24.8%

Employees by Age Group and Location

Location/Age Group (year old)	FY2024			FY2023			FY2022		
	Below 30	30 – 50	Above 50	Below 30	30 – 50	Above 50	Below 30	30 – 50	Above 50
Singapore	33.3%	36.4%	30.3%	24.2%	39.4%	36.4%	20.6%	47.1%	32.3%
Malaysia	47.7%	40.6%	11.7%	59.8%	32.6%	7.6%	56.1%	35.8%	8.1%
Group Average	44.7%	39.8%	15.5%	52.7%	34.0%	13.3%	48.4%	38.2%	13.4%

New Employees by Gender and Location

Location/Gender	FY2024		FY2023		FY2022	
	Male	Female	Male	Female	Male	Female
Singapore	80.0%	20.0%	42.9%	57.1%	46.7%	53.3%
Malaysia	45.5%	54.5%	76.2%	23.8%	87.8%	12.2%
Group Average	56.3%	43.7%	67.9%	32.1%	76.8%	23.2%

SUSTAINABILITY REPORT

New Employees by Age Group and Location

Location/Age Group (year old)	FY2024			FY2023			FY2022		
	Below 30	30 – 50	Above 50	Below 30	30 – 50	Above 50	Below 30	30 – 50	Above 50
Singapore	80.0%	20.0%	–	57.1%	14.3%	28.6%	20.0%	66.7%	13.3%
Malaysia	81.8%	18.2%	–	81.0%	19.0%	–	78.0%	22.0%	–
Group Average	81.2%	18.8%	–	75.0%	17.9%	7.1%	62.5%	33.9%	3.6%

New Employees and Employee Turnover

Gender	New Hires			Resigned			Employee Turnover		
	FY2024	FY2023	FY2022	FY2024	FY2023	FY2022	FY2024	FY2023	FY2022
Male	56.3%	67.9%	76.8%	61.9%	45.0%	70.8%	10.3%	7.3%	16.2%
Female	43.7%	32.1%	23.2%	38.1%	55.0%	29.2%	22.2%	28.9%	19.4%
Group Average							12.9%	12.4%	17.0%

Board Diversity

Gender	FY2024	FY2023	FY2022
Male	80%	80%	80%
Female	20%	20%	20%



SUSTAINABILITY REPORT

Occupational Health and Safety

GRI 403-4, 403-5, 403-9

The Group remains committed to providing our employees with a healthy, safe, and pleasant working environment. This commitment fosters productivity and enhances overall job satisfaction. We believe that, by prioritising the well-being of our staff, we can create a positive culture that benefits everyone involved. As part of our effort to maintain a safe and healthy working environment for members of our organisation, we continue to be vigilant in managing and monitoring the health and safety risks through the enforcement of policies and procedures, including the Workplace Safety Policy, as well as employee behaviour and responsibility guidelines stated in the Employees Handbook.

Our dedicated human resources team will brief all new employees on workplace health and safety. We have an Occupational Safety and Health Committee made up of worker representatives who are involved in workplace safety and health inspection and related activities, as well as promoting the importance of workplace safety and health in our manufacturing operations in Malaysia. The representatives attend quarterly committee meetings and hold toolbox briefings every six (6) months to remind employees of key safety precautions, particularly those involved in manufacturing. Additionally, it is mandatory for all employees to undergo basic emergency and fire response training annually.

We believe that promoting self-responsibility through regular reminders and education will reduce workplace injuries and accidents while also improving cohesiveness among members of the Group.

We maintained our record of zero incidents resulting in fatality and permanent disability in FY2024. However, we recorded eight (8) work-related injuries and thirty-two (32) lost days at our manufacturing operations in Malaysia that led to an overall 0.08% of total workdays lost⁽¹⁾ in the Group in FY2024. The record was similar to the eight (8) recordable work-related injuries in FY2023, although there was a reduction in the number of lost days. While these were minor injuries, we will strive to minimise recurrence by providing regular refresher training to all employees to highlight safe work procedures at our operational facilities.

The Group is committed to maintaining a record of zero incidence of non-compliance with the relevant laws and regulations relating to occupational health and safety, providing a safe working environment, and safeguarding our employees from occupational dangers in the short, medium, and long term.

Note:

(1) Work days lost in percentage denotes total lost days due to injuries over total number of working days of the total workforce in a year.

Performance in FY2024

- Achieved targets set in FY2024.
- Recorded zero incidence resulting in fatality and permanent disability.
- Recorded eight (8) work-related injuries and 0.08% total workdays lost in FY2024.
- Recorded zero incidence of non-compliance with the relevant laws and regulations relating to occupational health and safety.

Targets for FY2025

- To maintain regular refresher trainings for our employees to ensure their constant awareness of the health and safety policies and standard operating procedures, as well as the importance of complying with the safety standards and rules in the workplace to ensure work-related injuries are kept to the minimal.
- To maintain incidents on recordable work-related injuries at below ten (10) cases on an annual basis.
- To maintain zero incidence resulting in fatality and permanent disability.
- To maintain zero incidence of non-compliance with the relevant laws and regulations relating to occupational health and safety, providing a safe working environment, and safeguarding our employees from occupational dangers.



SUSTAINABILITY REPORT

Training and Education GRI 404-1

We are committed to enhancing the value of our employees by offering them opportunities to develop and equip themselves, thereby improving their knowledge, qualifications, and skills to excel in their roles and responsibilities in the organisation.

The Group persisted in implementing relevant training programmes for employees, as it streamlined operations in response to cost management and a competitive industry environment. These programmes encompass fire safety and rescue operations, e-invoice implementation, ISO 9001 certified internal audit trainings, and cyber incident management, totalling 386 hours of training for 25 employees in Singapore and Malaysia in FY2024, an increase from 129 hours for 18 employees in FY2023.

Average Training Hours Per Employee

The Group's emphasis on targeted training programmes for a defined number of employees has resulted in an increase in the average training percentage, rising from 10.9% of the 165 employees in FY2023 to 15.6% of the 160 employees in FY2024. We are committed to enhancing enrichment opportunities for a higher number of employees in the near future.

Gender	FY2024	FY2023	FY2022	CAGR ⁽¹⁾ (%)
Male	156	24	192	(9.9)
Female	230	105	48	+ 118.9
Total hours	386	129	240	+ 26.8
No. of employees	25	18	21	+ 9.1
Average	15.4	7.2	11.4	+ 16.2

Note:

(1) CAGR refers to the year-on-year compounded annual growth rate

Performance in FY2024

- Achieved targets in respect of increasing the number of training hours for employees in Singapore and Malaysia operations conducted internally and externally.
- 15.6% of total employees received training in FY2024, as compared to a 10.9% of total employees received training in FY2023.

Targets for FY2025

- To explore and sponsor vocational training programmes to enrich employees.
- To continue to increase the number of training hours for a higher number of employees in Singapore and Malaysia operations.



SUSTAINABILITY REPORT

Performance Appraisal GRI 404-3

The Group has an Employees Handbook in place that adheres to the legislation and guidelines in each country where we operate. We award performance incentives to eligible employees based on their performance, contributions to the Group, and the Group's overall performance. Remuneration packages are reviewed on a regular basis to ensure that compensation and benefits are competitive with the industry. This process assists the Group in our recruitment and retention of talent.

Our human resources department, together with the various department heads, developed a procedure to conduct performance reviews for employees based on their roles and responsibilities within the Group.

Employee performance reviews incorporate measurable evaluation criteria for all employees. We actively collect performance information through inputs from direct supervisors and hold frequent employee communication meetings. We believe that regular involvement with employees allows us to build stronger working relationships and stay informed about our employees' growth and well-being, thereby enhancing talent retention.

We have initiated monthly interactive discussions with our employees to gain insights into their operating challenges. We believe that this form of interaction allows employees to play a more active role in the Group's developments.

Employees Received Performance Reviews

Category/Gender	FY2024			FY2023		
	Male	Female	Group	Male	Female	Group
Management & Executive	50.0%	87.5%	71.4%	50.0%	100.0%	71.4%
Non-Executive	56.4%	93.1%	63.7%	61.6%	71.7%	64.6%
Total	56.1%	91.9%	64.4%	61.2%	73.5%	64.8%

In FY2024, 64.4% of eligible employees received performance reviews as compared to 64.8% in FY2023. The increase from 35.2% in FY2023 in employees not receiving performance reviews to 35.6% in FY2024 is attributed to a higher proportion of newly hired employees under probation and junior-level employees who are not subject to an annual performance reviews at the end of FY2024.

Performance in FY2024

- Did not achieve targets of percentage of employees receiving performance reviews.
- Initiated monthly interactive discussions with our employees to gain insights into their operating challenges.
- 64.4% of the 160 employees in Singapore and Malaysia received performance reviews in FY2024, as compared to 64.8% of total employees in FY2023.

Targets for FY2025

- To maintain monthly interactive discussions with our employees to align organisational goals.
- To increase the percentage of employees receiving regular performance reviews to above 75% of total number of employees in Singapore and Malaysia.



SUSTAINABILITY REPORT

MATERIAL TOPIC: GOVERNANCE

Regulatory Compliance

GRI 2-27

At Eindec, we are committed to conducting our business in compliance with the pertinent social, economic, and environmental regulations and standards. This is achieved through the implementation of internal checks and balances, as well as the provision of regular reporting and updates to the relevant authorities and agencies in the countries in which we operate.

We will continue to proactively monitor, identify, and address socio-economic and environmental concerns, as well as potential impact arising from climate-related risks that are of relevance to the sustainability of the Group. We remain committed to conducting our business with integrity and safeguarding the interest of all our stakeholders.

In FY2024, we achieved our commitment to maintaining zero incidence of non-compliance with the relevant laws and regulations in the areas of socio-economic and environment. We strive to maintain the record of zero incidence of non-compliance with relevant laws and regulations in the areas of socio-economic and environmental for the short, medium, and long term.

Corporate Governance

The Board and the management of Eindec remain committed to observing high standards in corporate governance to ensure the sustainability of the Group's business. We carry out regular reviews on our corporate policies and procedures governing our compliance with applicable legislation and adherence to our risk management guidelines to update the adequacy and effectiveness of the management controls and procedures.

We believe our consistent motivation for corporate excellence reinforces a more transparent, accountable, and equitable system, and thereby delivering higher value to our stakeholders.

Please refer to the Corporate Governance Report found on pages 38 to 67 of this annual report for details of the Group's corporate governance principles and practices.

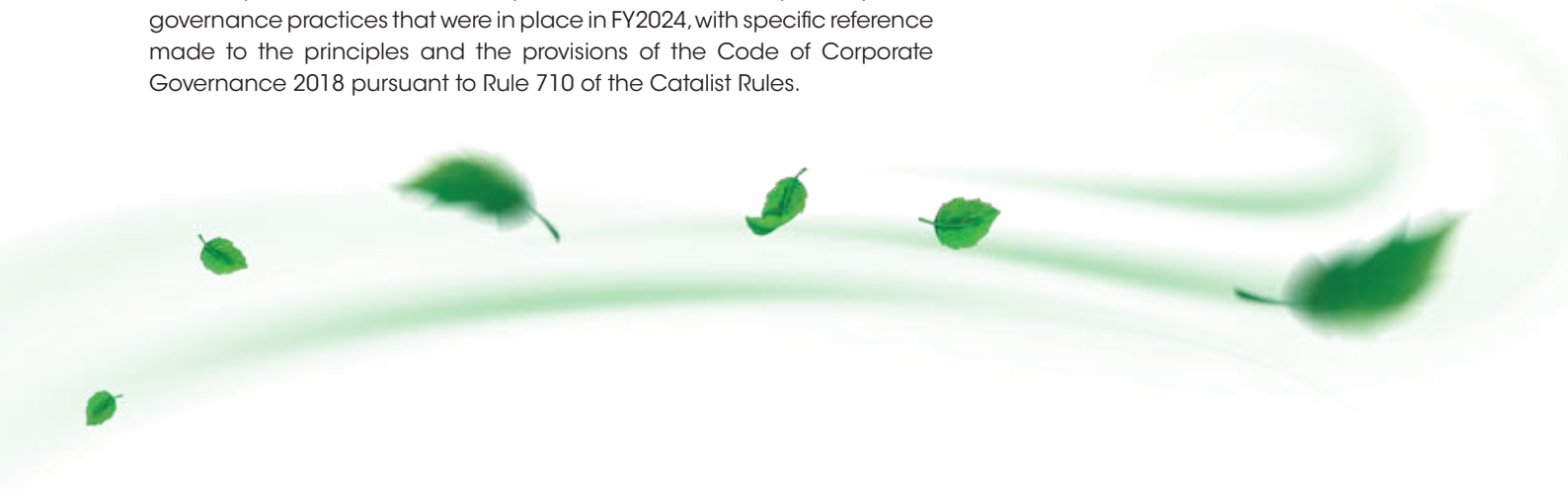
The Corporate Governance Report outlines the Group's corporate governance practices that were in place in FY2024, with specific reference made to the principles and the provisions of the Code of Corporate Governance 2018 pursuant to Rule 710 of the Catalist Rules.

Performance in FY2024

- Achieved targets set for FY2024.
- Recorded zero incidence of non-compliance with the relevant laws and regulations in the areas of socio-economic and environmental that could potentially result in internal disciplinary action or public allegation.
- Complied with the principles and provisions set out in the Code of Governance 2018, where appropriate.

Targets for FY2025

- To maintain zero incidence of non-compliance with the relevant laws and regulations in the socio-economic and environmental aspect.
- To maintain zero incidence of non-compliance with management controls and procedures.
- To continue to monitor and update the adequacy and effectiveness of the risk management policies and procedures as and when appropriate.



SUSTAINABILITY REPORT

Enterprise Risk Management

The Board maintains overall responsibility for the establishment and oversight of the Group's risk management framework.

We have established the Risk Management Policy to identify and analyse key risk factors, including potential climate-related risks; assess the risk rating based on the potential impact on the Company and our business; set internal controls; and implement procedures to monitor and mitigate risks.

We review the risk management policies and procedures periodically to align with changes in market conditions and the Group's activities. The Group, through the established policies and procedures, aims to develop a disciplined and constructive control environment to manage emerging and strategic risks that may impact our sustainability reporting.

The Audit Committee of the Company is responsible for ensuring that the management of the Company adheres to the Group's risk management policies and procedures. Additionally, the Audit Committee, from time to time, evaluates the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is supported by the internal auditors of the Company in its supervision of the Group's risk management. Correspondingly, the internal auditors of the Company conduct both routine and ad-hoc reviews of the Group's risk management controls and procedures and report their findings to the Audit Committee.

The Group remains vigilant, and the Audit Committee has determined that the Group must conduct a risk assessment of our business operations at least once annually, either internally or with the assistance of an independent third-party professional.

Further discussions after the preliminary evaluation of the identified climate-related risks that could have an impact on the Group's sustainability explored in FY2023 was put on hold due to the regulatory updates issued on sustainability reporting by the SGX RegCo on 30 September 2024.

We are committed to enhancing our disclosures in the future sustainability reports to align with the new requirements, despite the fact that the Sustainability Owners have proposed the necessary actions to address the identified risks in FY2023 and have regularly updated the Audit Committee.



SUSTAINABILITY REPORT

Climate-related Risks	Description	Actions to Address Risks
Transition Risks		
Policy and legal <ul style="list-style-type: none"> Mandates on and regulation of existing products and services 	<ul style="list-style-type: none"> New regulations and/or tightening of regulations on reducing carbon footprint. 	<ul style="list-style-type: none"> Stay abreast about latest regulatory developments and changes in the markets of respective countries where the Group has presence. Monitor industry trends, consumer behaviour and preferences through market research and/or survey.
Technology <ul style="list-style-type: none"> Unsuccessful investment in new technologies Costs to transition to lower emissions technology 	<ul style="list-style-type: none"> High-emitting assets such as diesel-powered delivery vehicles and forklifts may be banned by governments and/or phased out within the asset supply market. 	<ul style="list-style-type: none"> To formulate a fixed asset replacement plan to comply with new regulatory requirements within the stipulated timeline, especially for countries or jurisdictions that have imposed on the use of high emitting operational assets.
Physical Risks		
Acute <ul style="list-style-type: none"> Increased severity of extreme weather events such as flash floods 	<ul style="list-style-type: none"> Disruption to operational activities, and temporary cessation of production, which could lead to delays in delivery resulting in penalty. Damage to assets. 	<ul style="list-style-type: none"> Emergency response preparedness. Assets such as buildings, machineries and equipment, and inventories are protected by comprehensive insurance.

Anti-Corruption GRI 205-3

The Group has zero tolerance for fraudulent and corrupt practices that may disrupt business operations and impede the Group's sustainability reporting. We remain committed to conducting our business with integrity and transparency, with no compromise on corruption.

The Group has put in place the Fraud and Whistle-Blowing Policy, which allows stakeholders to report any irregularities or suspected irregularities involving employees, shareholders, consultants, vendors, contractors, external agencies doing business with employees of such agencies, and/or any other parties with a business relationship with the companies within the Group without fear of retaliation.

All members of the organisation are also reminded of pre-emptive actions to prevent, govern, and facilitate the reporting of any illegal or unethical practices to the Audit Committee of the Company.

The Group maintained zero incidence of non-compliance relating to corruption, bribery, extortion, fraud, and money laundering in FY2024. Nevertheless, we will remain vigilant, and we are committed to maintaining the record of zero incidence of non-compliance relating to corruption, bribery, extortion, fraud, and money laundering in the short, medium, and long term.

Performance in FY2024

- Achieved targets set in FY2024.
- Recorded zero incidence of non-compliance with the relevant laws and regulations that cover corruption, bribery, extortion, fraud, and money laundering.

Targets for FY2025

- To monitor and keep policies and practices relevant and updated.
- To maintain zero incidence of non-compliance with the relevant laws and regulations that cover corruption, bribery, extortion, fraud, and money laundering.

SUSTAINABILITY REPORT

GRI CONTENT INDEX

Statement of use	Eindec Corporation Limited has reported this information cited in this GRI Content Index for the period from 1 January 2024 to 31 December 2024 ("FY2024") with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standards	Disclosure	Reference
GRI 2: General Disclosures 2021	2-1: Organisational details	Annual Report ("AR") – Company Profile, page 2
	2-2: Entities included in the organisation's sustainability reporting	Sustainability Report ("SR") – Board Statement, page 15
	2-3: Reporting period, frequency and contact point	SR – Board Statement, page 15
	2-6: Activities, value chain, and other business relationships	AR – Letter to Shareholders, page 3 to 4 AR – Operations Review, page 5 to 7
	2-7: Employees	SR – Employment, Diversity and Equal Opportunity, page 27 to 29
	2-9: Governance structure and composition	SR – Sustainability Governance, page 16 to 17 AR – Board of Directors, page 12 to 13 AR – Corporate Governance Report, page 38 to 67
	2-10: Nomination and selection of the highest governance body	AR – Corporate Governance Report, page 48 to 52
	2-27: Compliance with laws and regulations	SR – Regulatory Compliance, Corporate Governance, page 33 to 34
	2-29: Approach to stakeholder engagement	SR – Stakeholder Engagement, page 18 to 19
GRI 3: Material Topics 2021	3-1: Process to determine material topics	SR – Materiality Assessment, page 20
	3-2: List of material topics	SR – Materiality Assessment, page 20
	3-3: Management of material topics	SR – Materiality Assessment, page 20
GRI 201: Economic Performance	201-1: Direct economic value generated and distributed	SR – Economic Performance, page 21
	201-2: Financial implications and other risks and opportunities due to climate change	SR – Economic Performance, page 22
GRI 205: Anti-corruption 2016	205-3: Confirmed incidents of corruption and actions taken	SR – Anti-corruption, page 35
GRI 206: Anti-competitive Behaviour 2016	206-1: Confirmed incidents of anti-competitive behaviour, violations of anti-trust, and monopoly legislation	SR – Anti-competitive Behaviour, page 23

SUSTAINABILITY REPORT

GRI Standards	Disclosure	Reference
GRI 302: Energy 2016	302-1: Energy consumption	SR – Resource Efficiency, page 24 to 25
GRI 303: Water and Effluents 2018	303-5: Water consumption	SR – Resource Efficiency, page 24 to 25
GRI 305: Emissions 2016	305-1: Direct (Scope 1) GHG emissions	SR – Resource Efficiency, page 24 to 25
	305-2: Energy Indirect (Scope 2) GHG emissions	SR – Resource Efficiency, page 24 to 25
GRI 306: Waste 2020	306-2: Management of significant waste-related impacts	SR – Waste, page 26
	306-3: Waste generated	SR – Waste, page 26
GRI 401: Employment 2016	401-1: New employee hires and employee turnover	SR – Employment, Diversity and Equal Opportunity, page 27 to 29
GRI 403: Occupational Health and Safety (2018)	403-4: Worker participation, consultation, and communication on occupational health and safety	SR – Occupational Health and Safety, page 30
	403-5: Worker training on occupational health and safety	SR – Occupational Health and Safety, page 30
	403-9: Work related injuries	SR – Occupational Health and Safety, page 30
GRI 404: Training & Education (2016)	404-1: Average hours of training per year per employee	SR – Training and Education, page 31
	404-3: Performance appraisal	SR – Training and Education, page 32
GRI 405: Diversity and equal opportunity (2016)	405-1: Diversity of governance bodies and employees	SR – Employment, Diversity and Equal Opportunity, page 27 to 29



CORPORATE GOVERNANCE REPORT

The board of directors (the “**Board**” or “**Directors**”) of Eindex Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is committed to maintaining high standards of corporate governance and places importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholders’ value.

This corporate governance report outlines the Company’s corporate governance structures and practices that were in place during the financial year ended 31 December 2024 (“**FY2024**”), with specific reference made to the principles and the provisions of the Code of Corporate Governance 2018 (the “**Code**”) pursuant to Rule 710 of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”).

The Board is pleased to report that for FY2024, the Company has adhered to the principles of the Code, and the provisions of the Code except where otherwise explained. In areas where the Company’s practices vary from any provisions of the Code, the Company has stated herein the provision of the Code from which it has varied, and appropriate explanations are provided for the variation, and how the practices the Company had adopted are consistent with the intent of the relevant principle of the Code. The Company will continue to assess its needs and implement appropriate measures accordingly.

1. 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.

Provision 1.1

The Board’s primary role is to protect the interests of the shareholders of the Company (“**Shareholders**”) and enhance long-term Shareholders’ value. Its responsibilities are distinct from the management of the Group (the “**Management**”). It sets the overall strategy and policies for the Group and supervises the Management. To fulfil this role, the Board sets strategic direction, establishes goals for the Management and monitors the achievement of these goals, thereby taking responsibility for the overall corporate governance of the Group.

The principal functions of the Board are:

- (a) providing entrepreneurial leadership and setting the overall strategy and direction of the Group;
- (b) reviewing and overseeing the management of the Group’s business affairs, financial controls, performance and resource allocation;
- (c) approving the Group’s strategic plans, key business initiatives, acquisition and disposal of assets, significant investments and funding decisions as well as major corporate policies;
- (d) overseeing the processes of risk management, financial reporting and compliance, and evaluating the adequacy and effectiveness of internal controls and risk management systems;
- (e) approving the release of the Group’s half-year and full-year financial results, related party transactions of material nature and the submission of the relevant checklists to the Sponsor and/or the SGX-ST;
- (f) appointing new Directors and key management staff, including the review of performance and remuneration packages;

CORPORATE GOVERNANCE REPORT

- (g) considering sustainability issues such as environmental and social factors as part of its strategic formulation; and
- (h) assuming the responsibilities for corporate governance.

The Board has in place a code of conduct and ethics, which sets an appropriate tone-from-the-top and desired organisational culture and ensures proper accountability within the Company. Directors exercise due diligence and independent judgement in dealing with the business affairs of the Group. They are always obliged to act in good faith, objectively discharge their fiduciaries duties and responsibilities, and take objective decisions in the interests of the Company. The Board holds the Management accountable for performance. Directors facing conflicts of interest will recuse themselves from discussions and decisions involving the issues of conflict. The Directors would abstain from voting and decision involving the issues of conflict.

A Director is required to declare his or her interests in all transactions with the Group, if any, and provide details on the nature of such interests as soon as practicable after the relevant facts have come to his or her knowledge. This is also provided on an annual basis.

Provision 1.2

The Company does not have a formal training programme for the Directors but all newly appointed Directors will undergo an orientation in order to be provided with background information about the Group's history, business activities, strategic direction and industry-specific knowledge. Newly appointed Directors will also be briefed on director's duties, responsibilities, disclosure duties and statutory obligations, governance policies, policies on disclosure of interests in securities, the rules relating to disclosure of any conflict of interest in a transaction involving the Company, prohibitions in dealing in the Company's securities and restrictions on disclosure of price sensitive information.

The Company will also arrange for first-time Directors to attend training in relation to the roles and responsibilities of a director of a listed company and in areas such as accounting, legal and industry specific knowledge, as appropriate, as well as the courses as prescribed by the SGX-ST under Practice Note 4D of the Catalist Rules.

Any newly appointed Director will be given briefings on the business activities of the Group, its strategic directions, governance practices and Directors' duties and obligations. There were no new Directors appointed during FY2024.

The Company encourages existing Directors to attend training courses which are aimed at providing them with the latest updates on changes in relevant regulations, accounting standards, corporate governance practices and guidelines from the SGX-ST that affect the Group and/or the Directors in connection with their duties and responsibilities as a Director of a public-listed company in Singapore, and such training will be funded by the Company.

On an ongoing basis, the Directors are also updated regularly on changes to the Catalist Rules, risk management, corporate governance, insider trading, as well as the key changes in the relevant regulatory requirements, financial reporting standards and the relevant laws and regulations affecting the Group, to facilitate effective discharge of their fiduciary duties as a member of the Board or Board Committees.

New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("**ACRA**") and news/articles/reports (including analyst reports) which are relevant to the Group's businesses and regulatory requirements are regularly circulated to all the Directors. The Company Secretary informs the Directors on the availability of relevant courses, conferences and seminars for them to stay abreast of relevant business developments and outlook.

CORPORATE GOVERNANCE REPORT

Changes to regulations and accounting standards are monitored closely by the Management. Annually, the external auditors update the Audit Committee and the Board on the new and revised financial reporting standards that are applicable to the Company or the Group.

To keep pace with such regulatory changes, the Company provides opportunities for ongoing education, training on Board processes and best practices as well as updates on changes in legislation and financial reporting standards, regulations and guidelines from the Catalyst Rules that affect the Company, the Group and/or the Directors in discharging their duties at the Company's expense.

Provision 1.3

The Board has adopted a set of internal guidelines setting forth matters that requires the Board's approval, which has been clearly communicates to the Management.

The matters that require the Board's approval include:

- major investments/divestments and funding decisions;
- announcements or press releases on the SGXNet, including financial result announcements;
- transactions which are not in the ordinary course of business of the Company;
- major borrowings or corporate guarantees in relation to borrowings;
- new banking facilities and corporate guarantees;
- profit-sharing arrangements;
- incorporation or dissolution of any subsidiary;
- allotment and issuance of shares or declaration of dividends;
- operating budgets, annual report, Directors' statement and audited financial statements;
- change in corporate business strategy and direction; and
- material acquisitions and disposals of assets.

Provision 1.4

To assist the Board in discharging its oversight functions and to enhance the Company's corporate governance framework, the Board has delegated specific responsibilities to the three (3) Board Committees, namely, the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively, the "**Board Committees**"). The Board Committees operate within clearly defined terms of reference (as detailed under Provision 4.1, 6.1 and 10.1 of this report) which are reviewed on a regular basis to ensure their continued relevance and efficacy. The composition and description of each Board Committee as well as a summary of each Board Committee's activities are also set out in other sections of this report. While the Board Committees have the authority to examine particular issues and report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters still lies with the entire Board.

CORPORATE GOVERNANCE REPORT

As at the date of this report, the Board comprises five (5) members, three (3) of whom are Independent Directors, and the composition of the Board and the Board Committees are as follows:

Name of Director	Designation	Board Committee Membership		
		AC	NC	RC
Mr. Zhang Wei	Executive Chairman and Chief Executive Officer	-	-	-
Ms. Jiang Nan	Non-Independent and Non-Executive Director	-	-	-
Mr. Ong Kian Guan	Lead Independent Director	Chairman	Member	Member
Mr. Wong Chee Meng Lawrence	Independent Director	Member	Member	Chairman
Mr. Jeffrey Ong Shen Chieh	Independent Director	Member	Chairman	Member

Provision 1.5

Directors attend and actively participate in Board and Board Committee meetings. The number of such meetings and each individual Director's attendances at such meetings are disclosed in the Company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

The table below sets out the number of Board meetings, Board Committee meetings and general meeting(s) of the Company held during FY2024 and the attendance of each Director at these meetings:

	Board	AC	NC	RC	AGM [#]
Number of meetings held	2	2	2	2	1
Directors	Attendance				
Mr. Zhang Wei	2	2*	2*	2*	1
Ms. Jiang Nan	1	1*	1*	1*	-
Mr. Ong Kian Guan	2	2	2	2	1
Mr. Jeffrey Ong Shen Chieh	2	2	2	2	1
Mr. Wong Chee Meng Lawrence	2	2	2	2	1

* By invitation

The Company only held one (1) general meeting during FY2024, being its annual general meeting.

The dates of all the Board and Board Committee meetings, as well as the annual general meeting of the Company ("AGM"), are scheduled well in advance each year, in consultation with the Board. When a physical meeting is not possible, timely communication with members of the Board can be achieved through electronic means. The Constitution of the Company provides for Directors to conduct meetings by teleconferencing, videoconferencing, or other similar means of communication. The Board and Board Committees also make decisions through circulating resolutions.

The Board holds meetings at regular intervals. In FY2024, the Board held two (2) scheduled meetings. Besides the scheduled Board meetings, the Board meets on ad-hoc basis as warranted by circumstances. Key matters discussed at these meetings include financial performance, annual budget, corporate strategy, significant operational matters, business opportunities and governance issues.

CORPORATE GOVERNANCE REPORT

If a Director is unable to attend a Board or Board Committee meeting, he/she will still receive all the papers and materials for discussion at that meeting. He/She will review and advise the Chairman of the Board or the Board Committee of his/her views and comments on the matters to be discussed so that they can be conveyed to other members at the meeting.

Provision 1.6

The Management provides Directors with complete, adequate and timely information prior to the Board and Board Committee meetings and regularly updates and familiarises the Directors on the business activities of the Group on an on-going basis and during Board meetings, to enable the Directors to make informed decisions and discharge their duties and responsibilities. Directors will also be given opportunities to visit the Group's operational facilities and meet the Management so as to gain a better understanding of the Group's business.

The Board receives half yearly management financial statements, annual budgets and explanation on material variances to enable the Directors to understand and oversee the Group's operational and financial performance. Directors are also informed on a regular basis as and when there are any significant developments or events relating to the Group's business operations.

As a general rule, Board papers prepared for each meeting are normally circulated five (5) days in advance of each meeting. This is to give sufficient time for the Board to review and consider the matters to be discussed so that discussions can be more meaningful and productive. However, sensitive matters may be tabled at the meeting itself or discussed without papers being circulated. The Board papers provide sufficient background and explanatory information to enable the Directors to be properly briefed on issues to be considered at the Board and Board Committee meetings. Such explanatory information may be in the form of briefings to provide additional insights to the Directors or formal presentations made by the Management in attendance at the meetings, or by external and internal auditors or external consultants engaged on specific projects.

Provision 1.7

Directors have separate and independent access to the Management, the Company Secretary, external and internal auditors, and external advisers (where necessary) at all times through email, telephone and face-to-face meetings. Any additional materials or information requested by the Directors to make informed decisions is promptly furnished by the Management.

Under the direction of the Chairman of the Board, the Company Secretary ensures timely and good information flows within the Board and its Board Committees and between the Management and the Independent Directors.

The Company Secretary assists the Chairman of the Board and of each Board Committee in the development of the agendas for the various Board and Board Committee meetings. She and/or her representative administers and attends all Board and Board Committee meetings of the Company and prepares minutes of the meetings. She is also responsible for, among other things, ensuring that Board procedures are observed and that the relevant rules and regulations, including requirements of the Companies Act 1967 of Singapore, Securities and Futures Act 2001 of Singapore and the Catalist Rules, are complied with.

As the primary compliance officer for the Group's compliance with the Catalist Rules, the Company Secretary is responsible for designing and implementing a framework for the Management to comply with the Catalist Rules, including advising the Management to ensure that material information is disclosed on a prompt basis. The Company Secretary also assists the Chairman of the Board and the Board in implementing and strengthening corporate governance practices and processes, with a view to enhance long-term stakeholders' value.

The appointment and removal of the Company Secretary are subject to the approval of the Board. In FY2024, the Board approved the change of its Company Secretary from Ms. Sharon Lim Siew Choo to Ms. Shirley Tan Sey Liy.

CORPORATE GOVERNANCE REPORT

Independent Professional Advice

Where the Directors, whether individually or collectively, require independent professional advice in furtherance of their duties and responsibilities, the Company Secretary will assist in appointing a professional advisor to render the relevant advice and keep the Board informed of such advice. The cost of obtaining such professional advice will be borne by the Company.

For FY2024, the Company had engaged an external adviser to advise the Board on matters relating to sustainability reporting.

Board Composition and Guidance

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

Provision 2.1

The criterion for independence is based on the definition set out in the Code, and taking into consideration whether the Directors fall under any circumstances pursuant to the accompanying Practice Guidance of the Code and Rule 406(3)(d) of the Catalist Rules. The Board considers an "independent" Director as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company.

Currently, the Board consists of five (5) Directors, of whom three (3) are considered independent by the Board. The current Board composition is in compliance with the Code's guidelines where Independent Directors make up a majority of the Board when the Chairman of the Board is not independent, being the Executive Chairman and Chief Executive Officer of the Company, as well as a controlling Shareholder. The Board is capable of exercising independent and objective judgement on corporate affairs of the Group and ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, taking into consideration the long-term interests of the Group and its stakeholders. No individual or small group of individuals dominates the Board's decision-making.

The NC conducts an annual review to determine the independence of the Directors in accordance to the Code and its accompanying Practice Guidance as well as the Catalist Rules. In the review and deliberation of the independence of the three (3) Independent Directors, the NC has considered the applicable Catalist Rules, the definition of "independent" as set out under Provision 2.1 of the Code and all nature of relationships and circumstances (including those as set out under the accompanying Practice Guidance to the Code) that could influence the judgement and decisions of the Directors.

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

For the financial year under review, the Independent Directors, namely Mr. Ong Kian Guan, Mr. Wong Chee Meng Lawrence and Mr. Jeffrey Ong Shen Chieh have confirmed that they or their immediate family members do not have any relationship with the Company or any of its related corporations, its substantial Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment in the best interests of the Company, and do not fall under any of the relationships and circumstances pursuant to the accompanying Practice Guidance to the Code and Rule 406(3)(d) of the Catalist Rules. The Independent Directors did not own shares of the Company and were not in foreseeable situation that could compromise their independence of thought and decision. For the financial year under review, (i) the NC has assessed and is satisfied that all the three (3) Independent Directors are independent; and (ii) the Board, based on the review conducted by the NC, is of the view that all the three (3) Independent Directors are independent.

CORPORATE GOVERNANCE REPORT

Mr. Jeffrey Ong Shen Chieh and Mr. Wong Chee Meng Lawrence have served on the Board beyond nine (9) years since the date of their first appointment, 8 December 2015. Under the Catalist Rules, a director will no longer be deemed independent if he has been a director of the issuer for an aggregate period of more than nine (9) years (whether before or after listing) and such director may continue to be considered independent until the conclusion of the next annual general meeting of the issuer. In view of the aforementioned nine (9)-year tenure limit for independent directors as prescribed under the Catalist Rules and to support progressive renewal of the Board, Mr. Jeffrey Ong Shen Chieh and Mr. Wong Chee Meng Lawrence have expressed that they intend to relinquish their position as Independent Director upon the conclusion of the Company's forthcoming AGM.

Accordingly, Mr. Jeffrey Ong Shen Chieh, who is due for retirement at the forthcoming AGM, will not seek for re-election and will retire at the conclusion of the forthcoming AGM, while Mr. Wong Chee Meng Lawrence has tendered his resignation as an Independent Director, and will serve his notice until the conclusion of the forthcoming AGM. Following their cessation as Director of the Company, they will also relinquish their position from the respective Board Committees.

The Board, with the assistance of the NC, will appoint new Independent Directors and reconstitute its Board and Board Committees, and any changes will be announced in due course. The Company shall endeavour to fill the vacancy(ies) within two (2) months, but in any case not later than three (3) months from the effective date of cessation of Mr. Jeffrey Ong Shen Chieh and Mr. Wong Chee Meng Lawrence as Directors of the Company.

Provision 2.2

Provision 2.3

As at the date of this report, the Board comprises five (5) members, whereby the Chairman of the Board is not independent and three (3) of the members are Independent and Non-Executive Directors. Accordingly, the Company has complied with the relevant Provisions 2.2 and 2.3 of the Code as Independent and Non-Executive Directors make up a majority of the Board.

Provision 2.4

The profile of the Directors and their key information are set out in the section entitled "Board of Directors" of this Annual Report and Provision 4.5 of this Corporate Governance Report.

The composition of the Board is reviewed annually by the NC to ensure that there is an appropriate mix of expertise and experience to enable the Management to benefit from a diverse perspective to issues that are brought before the Board. The NC has reviewed the size and composition of the Board and the Board Committees and is satisfied that the current size and composition of the Board and the Board Committees is appropriate and effective, and provides the Board and the Board Committees with adequate ability to meet the existing scope of needs and the nature of operations of the Company, which facilitates effective decision-making. From time to time, the NC will review the appropriateness of the current size and composition of the Board and the Board Committees, taking into consideration the changes in the nature and scope of operations as well as the regulatory environment of the Group.

The Board comprises Directors who, as a whole, have the core competencies and experience necessary to discharge their duties as Directors, lead and manage the Group's businesses and operations. The current composition of the Board comprises Directors with diversity of skills, experience and knowledge to the Company. The core competencies of the Directors include accounting or finance, business management, legal or corporate governance, relevant industry knowledge or experience, strategic planning experience and customer-based experience or knowledge.

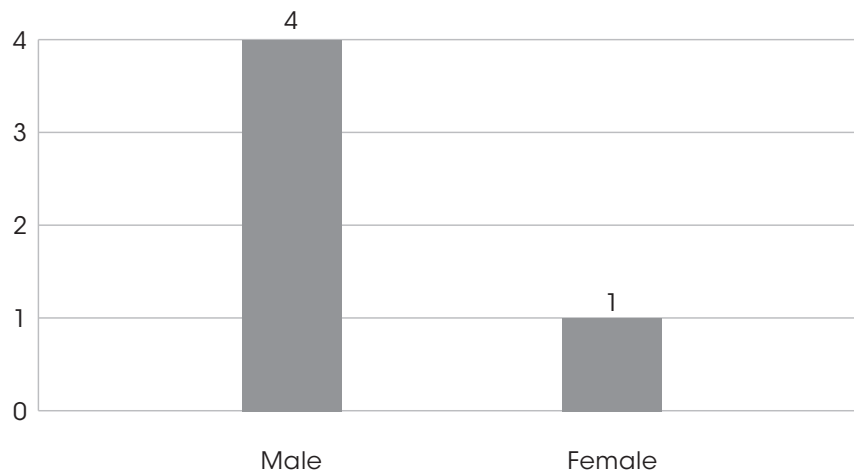
CORPORATE GOVERNANCE REPORT

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

The current Board composition reflects the Company's commitment to Board diversity. Every year, the NC conducts its review of the composition of the Board, which comprises members of both genders and from different backgrounds whose core competencies, qualification, skills and experiences, meet with the requirements of the Group at the point in time. In recognition of the importance and value of gender diversity in the composition of the Board, the Board has one (1) female Director currently, representing 20% of the total Board membership. In addition, the Board consists of Directors with ages ranging from early 40s to late 50s, who have served on the Board for different tenures. The Board members with their combined business, management and professional experience, knowledge and expertise, provide the core competencies to allow for diverse and objective perspectives on the Group's business and direction.

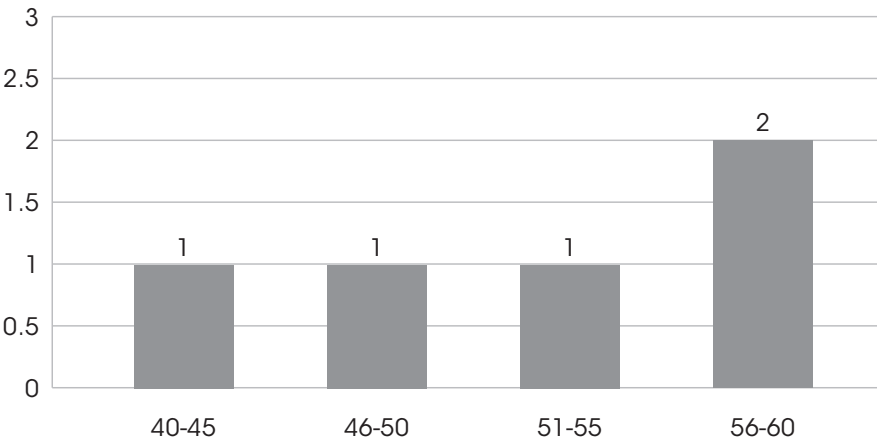
The NC will continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval. The NC will also continue its identification and evaluation of suitable candidates to ensure there is diversity (including gender diversity) on the Board.

Board's Gender Diversity as at 31 December 2024

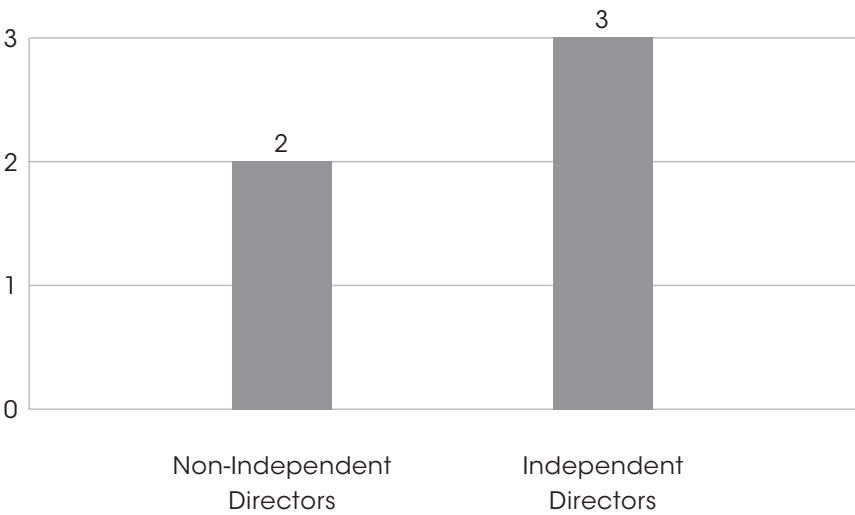


CORPORATE GOVERNANCE REPORT

Board’s Age Group as at 31 December 2024



Board’s Independence as at 31 December 2024



Provision 2.5

The Independent Directors, led by the Lead Independent Director, are encouraged to meet amongst themselves at least once a year without the presence of the Management and the Executive Chairman of the Board to, amongst others, discuss and evaluate the performance of the Management as well as the remuneration of the Executive Chairman. The feedback and views expressed by the Independent Directors will be communicated by the Lead Independent Director to the Board and/or the Executive Chairman, as appropriate. The Independent Directors had met at least once in FY2024, without the presence of the Management so as to facilitate a more effective check on the Management.

CORPORATE GOVERNANCE REPORT

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

Provision 3.2

Mr. Zhang Wei serves as the Executive Chairman and Chief Executive Officer (“CEO”) of the Company, responsible for managing and overseeing the overall business operations and performance of the Group. While the roles of Chairman and CEO are held by the same person, there is a clear division of responsibilities, as set out in writing and agreed by the Board, between the leadership of the Board and the Management responsible for managing the Company’s business.

As the Chairman of the Board, Mr. Zhang Wei ensures that Board meetings are held half-yearly and as and when necessary, sets Board meeting agenda, promotes a culture of openness and debate at the Board and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues. He ensures that Board members are provided with complete, adequate and timely information on a regular basis to enable them to be fully cognizant of the affairs of the Group as well as effective communication with Shareholders. He encourages constructive relations and effective contribution within the Board and between the Board and the Management. He also takes a leading role in ensuring that the Company strives to achieve and maintain high standards of corporate governance and an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision-making.

As the CEO of the Company, Mr. Zhang Wei is responsible for the effective management and supervision of the daily business operations of the Group in accordance with the strategies, policies, budget and business plans as approved by the Board. The major decisions are made in consultation with the Board, a majority of which comprises Non-Executive and Independent Directors. The Board is of the opinion that the discharge of responsibilities in the two (2) roles by Mr. Zhang Wei will not be compromised as there is strong independence within the Board and the process of decision-making by the Board has been independent and based on collective decision without any individual or small group of individuals dominating the Board’s decision-making. The NC also assesses the performance and effectiveness of Mr. Zhang Wei on his performance as Chairman separately from that of CEO.

Provision 3.3

Taking cognisance that the Chairman of the Board is an Executive Director and Chief Executive Officer and thus not independent, the Board has designated a Lead Independent Director whose role includes:

- (a) providing leadership in situations where the Executive Chairman is conflicted and especially when the Executive Chairman is not independent;
- (b) serving as a sounding board for the Executive Chairman and as an intermediary between the Non-Executive and Independent Directors and the Executive Chairman;
- (c) promoting high standards of corporate governance and effective communication between the Shareholders and the Company; and
- (d) co-ordinating and leading the Independent Directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board.

CORPORATE GOVERNANCE REPORT

The current Lead Independent Director is Mr. Ong Kian Guan. He is available to Shareholders and stakeholders should they have concerns with regards to the Group which cannot be resolved or are inappropriate or inadequate to raise through the normal communication channels with the Executive Chairman and CEO or the Management.

There was no query or request on any matters which requires the Lead Independent Director's attention received in FY2024.

Board Membership

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

Provision 4.1

The NC has its terms of reference, setting out its duties and responsibilities, which include the following:

- (a) to make recommendations to the Board on all board appointments and re-appointments, having regard to the Director's contribution and performance (for example, attendance, preparedness, participation and candour) including, if applicable, as an Independent Director;
- (b) to determine the independence of a Director annually;
- (c) in respect of a Director who has multiple board representations on various companies, to decide whether or not such Director is able to and has been adequately carrying out his/her duties as a Director, having regard to the competing time commitments that are faced when serving on multiple boards;
- (d) to review the succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;
- (e) to review the training and professional development programmes for the Board and the Directors;
- (f) to review and approve any new employment of related persons and the proposed terms of their employment; and
- (g) to decide how the Board's performance is to be evaluated and propose objective performance criteria, subject to the approval by the Board, which address how the Board has enhanced long term Shareholders' value. The Board will also implement a process to be proposed by the NC for assessing the effectiveness of the Board as a whole and each of the Board Committees and for assessing the contribution of each individual Director to the effectiveness of the Board (if applicable).

Provision 4.2

The NC comprises three (3) members, all of whom including the NC Chairman, are Independent and Non-Executive Directors, and the Lead Independent Director is a member of the NC. The NC comprises the following members:

- (a) Mr. Jeffrey Ong Shen Chieh (Chairman)
- (b) Mr. Wong Chee Meng Lawrence
- (c) Mr. Ong Kian Guan

CORPORATE GOVERNANCE REPORT

Where a Director has multiple board representations in other listed companies and other principal commitments, the NC will evaluate whether or not the Director is able to carry out and has been adequately carrying out his/her duties as a Director of the Company taking into consideration his/her time and resources allocated to the affairs of the Company. The NC is of the view that all the Directors are able to devote to the Company's affairs in light of their other commitments and therefore, the Board has not capped the maximum number of listed board representations each Director is allowed to hold. The NC and the Board will review the requirements to determine the maximum number of listed board representations as and when it deems fit.

The Board and the NC have endeavoured to ensure that the Directors appointed to the Board possess the relevant experience, knowledge and expertise critical to the Group's business.

There is no alternate director being appointed to the Board.

Provision 4.3

The NC is responsible for identifying and recommending new Directors to the Board, after considering the necessary and desirable competencies. In selecting new Directors, the NC will seek to identify the competencies required as well as evaluate the profession, knowledge, experience, commitment ability of the candidate to contribute to the Board process and such other qualities and attributes that may be required by the Board of the candidate to enable the Board to fulfil its responsibilities.

The NC may engage consultants to undertake research on, or assess, candidates applying for new positions on the Board, or to engage such other independent experts, as it considers necessary to carry out its duties and responsibilities. Recommendations for new Directors are put to the Board for its consideration and/or approval. New Directors are appointed by way of a Board resolution following which they are subject to re-election at the next AGM.

In accordance with Rule 720(4) of the Catalist Rules, all Directors need to submit themselves for re-nomination and re-appointment at least once every three (3) years. Further, the Company's Constitution requires one-third of the Board to retire by rotation at every AGM. Pursuant to Regulation 99 of the Company's Constitution, at each AGM, at least one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. Regulation 103 of the Company's Constitution requires any Director so appointed shall hold office until the next AGM.

For re-nomination and re-appointment of Directors, the NC would take into consideration, amongst other things, the Directors' contributions to the Board (including attendance and participation at meetings, time and effort accorded to the Group's business and affairs), independence, other board representations, and any other factors as may be deemed relevant by the NC.

At the forthcoming AGM of the Company, Mr. Ong Kian Guan (the "**Retiring Director**") and Mr. Jeffrey Ong Shen Chieh will be retiring pursuant to Regulation 99 of the Company's Constitution. The NC has recommended and the Board has agreed that Mr. Ong Kian Guan be nominated for re-election at the forthcoming AGM, while Mr. Jeffrey Ong Shen Chieh has informed the NC that he will not be seeking re-election in view of the nine (9)-year tenure limit for independent directors as prescribed under the Catalist Rules as well as to support progressive renewal of the Board. In making their recommendation, the NC takes into consideration, amongst others, the Retiring Director's attendance record at meetings of the Board and Board Committees, preparedness, participation and candour at such meetings as well as quality of input and contributions.

The Retiring Director has re-submitted himself for re-election at the forthcoming AGM. Please refer to the section entitled "Additional Information on Director Seeking Re-election" of this Corporate Governance Report for the information as set out in Appendix 7F to the Catalist Rules relating to the Retiring Director.

Each member of the NC shall abstain from voting, approving or making a recommendation on any resolution of the NC in which he/she has a conflict of interest in the subject matter under consideration.

CORPORATE GOVERNANCE REPORT

Provision 4.4

The Company has put in place a process to ensure the continuous monitoring of the independence of the Directors whereby the Directors must immediately report any changes in their external appointments that could affect their independence on the Board.

The NC reviews the independence of each Director annually in accordance with the definition of independence set out in the Code, and taking into consideration whether the Director falls under any of the relationships and circumstances pursuant to the accompanying Practice Guidance to the Code and Rule 406(3)(d) of the Catalist Rules. In respect of the Company's current Independent Directors, namely Mr. Ong Kian Guan, Mr. Wong Chee Meng Lawrence and Mr. Jeffrey Ong Shen Chieh, the Board is of the view that all three (3) of the Independent Directors are independent, taking into account the circumstances set forth in the Code and its accompanying Practice Guidance, Rule 406(3)(d) of the Catalist Rules and any other salient factors.

For FY2024, the Independent Directors have also confirmed their independence in accordance with the Code and its accompanying Practice Guidance, and Rule 406(3)(d) of the Catalist Rules and there was no alternate director on the Board.

Provision 4.5

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

Each Director is required to confirm annually to the NC as to whether he/she has any issue with competing time commitments which may impact his/her ability to provide sufficient time and attention to his/her duties as a Director of the Company. Based on the Directors' annual confirmations and the Directors' commitments and contributions to the Company, which are also evident in their level of attendance and participation at Board and Board Committee meetings, the NC and the Board are satisfied that all the Directors were able to devote to the Company's affairs in light of their other commitments and have been adequately carrying out their duties as a Director of the Company in FY2024.

Other than the key information regarding the Directors set out below, information pertaining to the Directors' interests in shares, options and other convertible securities of the Company are set out in the "Directors' Statement" section of this Annual Report, and information in relation to the background and principal commitments of the Directors are set out in the "Board of Directors" section of this Annual Report.

CORPORATE GOVERNANCE REPORT

Name of Director	Academic/ Professional qualifications	Board appointment	Board Committees served	Date of first appointment	Date of last re-election	Directorships in Other Listed Companies
Mr. Zhang Wei	<ul style="list-style-type: none"> Diploma in law from Zhongzhou University Certified economist by Henan Province Science Committee Master of Business Administration from Macau University of Science and Technology 	Executive Chairman and Chief Executive Officer	Chairman of the Board	2 September 2015	26 April 2023	Nil
Ms. Jiang Nan	<ul style="list-style-type: none"> Bachelor of Finance degree from Beihang University 	Non-Independent and Non-Executive Director	Nil	1 October 2020	24 April 2024	Nil
Mr. Ong Kian Guan	<ul style="list-style-type: none"> Bachelor of Accountancy degree from the Nanyang Technological University Fellow of the Institute of Singapore Chartered Accountants Fellow of CPA Australia 	Lead Independent Director	Chairman of the AC, and a member of the NC and the RC	23 April 2022	26 April 2023 (to be re-elected at the forthcoming AGM)	<ul style="list-style-type: none"> China XLX Fertiliser Ltd (listed on the Hong Kong Stock Exchange) ("HKEX") Omnibridge Holdings Limited (listed on the HKEX)
Mr. Wong Chee Meng Lawrence	<ul style="list-style-type: none"> Bachelor of Law (Honors) degree from the National University of Singapore An advocate and solicitor in Singapore A solicitor in the Hong Kong Special Administrative Region of the People's Republic of China 	Independent Director	Chairman of the RC, and a member of the AC and the NC	8 December 2015	24 April 2024	<ul style="list-style-type: none"> Atlantic Navigation Holdings (Singapore) Limited
Mr. Jeffrey Ong Shen Chieh	<ul style="list-style-type: none"> Bachelor of Science degree in Real Estate from the National University of Singapore 	Independent Director	Chairman of the NC, and a member of the AC and the RC	8 December 2015	26 April 2023 (retiring at the forthcoming AGM)	<ul style="list-style-type: none"> Attika Group Ltd. Sen Yue Holdings Limited

CORPORATE GOVERNANCE REPORT

Board Performance

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

Provision 5.1

Provision 5.2

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

The NC has established a formal review process to assess the performance and effectiveness of the Board as a whole and the effectiveness of the Board Committees. The NC accesses the performance of the Board and its Board Committees annually, using objective and through the adoption of a formal evaluation form, which has been approved by the Board.

The performance criteria include the contribution by Directors, their expertise, their sense of independence and their industry knowledge. This encourages constructive feedback from the Board and Board Committees which leads to an enhancement of its performance over time.

The Board, together with the NC, are of the view that due to the relatively small size of the Board, it would not be necessary to evaluate the contribution by each Director to the effectiveness of the Board in addition to the evaluation of the performance and effectiveness of the Board as a whole and the effectiveness of each of the Board Committees. Although the Directors are not evaluated individually, the factors taken into consideration with regards to the re-nominating of Directors are based on, amongst others, their attendance and contributions made at the Board and Board Committees meetings.

To ensure confidentiality, the completed evaluation forms were submitted to the Company Secretary for collation. The consolidated responses were presented to the NC for review before submitting to the Board for discussion and to determine the area for improvement and enhancement of the effectiveness of the Board and its Board Committees.

During FY2024, the Board has met to discuss the evaluation of the performance of the Board and the Board Committees and is of the view that the Board and the Board Committees have satisfactorily met the performance objectives for FY2024. There was no external facilitator being engaged in the evaluation process for FY2024.

Board Evaluation Criteria

The performance criteria for the Board evaluation are in respect of Board size and composition, Board independence, Board processes, Board information and accountability, Board performance in relation to discharging its principal functions and Board Committee performance in relation to discharging their responsibilities as set out in their respective terms of reference.

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

CORPORATE GOVERNANCE REPORT

2. 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.

Provision 6.1

The RC has its terms of reference, setting out its duties and responsibilities, which include the following:

- (a) to recommend to the Board a framework of remuneration for the Directors and key management personnel, and to determine specific remuneration packages for each Executive Director (if any), CEO (or executive of equivalent rank) and key management personnel, if such CEO and key management personnel is not an Executive Director, such recommendations to be submitted for endorsement by the Board and should cover all aspects of remuneration, including but not limited to Director's fees, salaries, allowances, bonuses, options, benefits in kind;
- (b) in the case of service contracts (if any) for any Director or key management personnel, to consider what compensation commitments the Directors' or key management personnel's contracts of service, if any, would entail in the event of early termination with a view to be fair and avoid rewarding poor performance; and
- (c) in respect of any long-term incentive schemes including share schemes as may be implemented, to consider whether any Director should be eligible for benefits under such long-term incentive schemes.

Provision 6.2

The RC comprises three (3) members, all of whom including the RC Chairman, are Independent and Non-Executive Directors and the Lead Independent Director is a member of the RC. The RC comprises the following members:

- (a) Mr. Wong Chee Meng Lawrence (Chairman)
- (b) Mr. Jeffrey Ong Shen Chieh
- (c) Mr. Ong Kian Guan

Provision 6.3

The RC reviews and recommends to the Board the remuneration packages or policies for Executive Directors (if any), CEO (or executive of equivalent rank) and key management personnel based on the performance of the Group, the individual Director, the CEO (or executive of equivalent rank) and the key management personnel. In reviewing the service agreements of the Executive Directors (if any), CEO (or executive of equivalent rank) and key management personnel of the Company, the RC will review the Company's obligations arising in the event of termination of these service agreements, to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoid rewarding poor performance. In FY2024, the Company has one (1) Executive Director, who is also the CEO.

CORPORATE GOVERNANCE REPORT

Provision 6.4

No Director will be involved in determining his/her own remuneration. The RC has full authority to engage any external professional advice on matters relating to remuneration as and when the need arises. The expense of such services shall be borne by the Company. For FY2024, the Board has not engaged any external remuneration consultants to provide advice on remuneration matters.

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.

Provision 7.1

Provision 7.3

The Executive Directors do not receive any Director's fee. The remuneration for the Executive Directors, CEO and certain key management personnel comprise a fixed and variable component. The variable component is performance related and is linked to the Group's performance as well as the performance of each individual Executive Director, CEO and key management personnel. The performance of the Executive Directors and the CEO (together with other key management personnel) is reviewed periodically by the RC and the Board.

The Company has adopted the Eindec Performance Share Plan 2015 ("**PSP**"), which is administered by the RC, to:

- foster an ownership culture within the Group which aligns the interests of participants with the interests of Shareholders;
- motivate participants to achieve key financial and operational goals of the Company and/or their respective business divisions and encourage greater dedication and loyalty to the Group; and
- make total employee remuneration sufficiently competitive to recruit new participants and/or retain existing participants whose contributions are important to the long-term growth and profitability of the Group, and whose skills are commensurate with the Company's ambition to become a world class company.

Full time employees of the Group, the Executive Directors, controlling Shareholders and associates of controlling Shareholders are eligible to participate in the PSP in accordance with the rules of the PSP. Employees who are controlling Shareholders or associates of controlling Shareholders shall not participate in the PSP unless their participation and the terms of each grant and the actual number of awards to be granted to them have been approved by the independent Shareholders in a general meeting of the Company in separate resolutions for each such person. Further details of the PSP are set out in the Company's offer document dated 6 January 2016.

During FY2024 and as at the date of this report, no awards have been granted under the PSP. The PSP will expire on 7 December 2025 and will be not renewed at the forthcoming AGM.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors, CEO and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

The Executive Chairman and CEO has no service agreement (except for the letter of appointment) with the Company and his terms in office are as specified in the Constitution of the Company.

CORPORATE GOVERNANCE REPORT

Provision 7.2

Non-Executive Directors (including Independent Directors) receive Directors' fees from the Company. When reviewing the structure and level of Directors' fees for the Non-Executive Directors (including Independent Directors), the RC takes into account factors such as effort and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate the Directors. The Independent Directors shall not be over-compensated to the extent that their independence may be compromised. There are no share-based compensation schemes in place for Non-Executive Directors (including Independent Directors).

Directors' fees are endorsed by the RC and recommended by the Board for Shareholders' approval at the AGM of the Company. Directors' fees of S\$165,000 for FY2024 (to be paid quarterly in arrears) had been approved by Shareholders at the last AGM held on 24 April 2024. Directors' fees of S\$165,000 for the financial year ending 31 December 2025 (to be paid quarterly in arrears) have been recommended by the Board and will be subject to the approval of Shareholders at the forthcoming AGM.

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.

Provision 8.1

Provision 8.3

The Company's remuneration policy is to reward performance and attract, retain and motivate Directors and key management personnel. The RC will take into account the industry norms, the Group's performance as well as the contribution and performance of each Director and key management personnel when determining remuneration packages. The RC will review the remuneration of the Directors and key management personnel from time to time.

During the financial year under review, there were no termination, retirement or post-employment benefits granted to any Director or key management personnel.

The details of the level and mix of remuneration (in percentage terms) of the Executive Director (who is the Executive Chairman and CEO) for his services rendered during FY2024 are as follows:

	Directors' Fees	Salary	Bonus	Others	Total Remuneration
Name of Director	(\$)	(\$)	(\$)	(\$)	(\$)
Mr. Zhang Wei	-	240,000	-	-	240,000

Note:

(1) The salary and bonus (if any) amounts shown are inclusive of Singapore Central Fund (CPF) contributions.

CORPORATE GOVERNANCE REPORT

The details of the level and mix of remuneration of the Non-Executive Directors (including the Independent Directors) for their services rendered during FY2024 are as follows:

	Directors' Fees	Salary	Bonus	Others	Total Remuneration
Name of Director	(\$\$)	(\$\$)	(\$\$)	(\$\$)	(\$\$)
Ms. Jiang Nan	40,000	-	-	-	40,000
Mr. Jeffrey Ong Shen Chieh	40,000	-	-	-	40,000
Mr. Ong Kian Guan	45,000	-	-	-	45,000
Mr. Wong Chee Meng Lawrence	40,000	-	-	-	40,000

Notes:

- (1) The salary and bonus (if any) amounts shown are inclusive of Singapore Central Fund (CPF) contributions.
- (2) The Directors' fees have been approved by Shareholders at the AGM held on 24 April 2024.

The Group only has three (3) key management personnel (who are not Directors or the CEO) during FY2024. The details of the level and mix of remuneration (in percentage terms) of the key management personnel (who are not Directors or the CEO) for their services rendered during FY2024 are as follows:

	Salary	Bonus	Others	Total Remuneration
Name of Key Management Personnel	(%)	(%)	(%)	(%)
Below S\$250,000				
Mr. Chua Boon Ping	96	4	-	100
Ms. Tang Sin ⁽¹⁾	100	-	-	100
Mr. Zhuang Xin	95	5	-	100

Notes:

- (1) Ms. Tang Sin resigned as the Vice President (Country Manager, PRC) with effect from 1 July 2024.
- (2) The salary and bonus (if any) amounts shown are inclusive of Singapore Central Provident Fund (CPF) contributions.

The total remuneration paid to all the key management personnel (who are not Directors or the CEO) during FY2024 is S\$355,000.

Given the competitive business environment and possible negative impact on the Group's business interest, the Board, on review, decided not to disclose the exact remuneration of each key management personnel, and the disclosure made based on the above remuneration bands is appropriate. After taking into account the reasons for non-disclosure stated above, the Board is of the view that the current disclosure of the remuneration presented herein in this report is sufficient to provide Shareholders with information on the Group's remuneration policies, as well as the level and mix of remuneration. Accordingly, the Board is of the view that the Company complies with Principle 8 of the Code.

The Company has adopted the PSP, details are set out under Principle 7 of the Code in this report and in the Company's offer document dated 6 January 2016. During FY2024 and as at the date of this report, no awards have been granted under the PSP.

CORPORATE GOVERNANCE REPORT

Provision 8.2

Mr. Zhang Haoyu ("Mr. Zhang") joined Eindec (Shanghai) Co., Ltd, an indirect subsidiary of the Company, as General Manager on 1 May 2023. Mr. Zhang is the son of Mr. Zhang Wei, Executive Chairman and CEO of the Company, as well as a controlling Shareholder. He is responsible for the business development, business operations and performance of Eindec (Shanghai) Co., Ltd. For FY2024, Mr. Zhang's remuneration did not exceed S\$100,000.

Save as disclosed above, the Group does not have any employees with remuneration exceeding S\$100,000, who is a substantial Shareholder or is an immediate family member of a Director, the CEO or a substantial Shareholder.

3. 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 acknowledges its responsibility for the governance of risk and ensures that the Management maintains a sound system of internal controls and effective risk management policies to safeguard the Shareholders' investment and the Company's assets. However, the Board also acknowledges that no cost-effective internal control system will preclude all errors and irregularities. The system is designed to manage rather than eliminate risks of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The internal controls in place, including the maintenance of proper accounting records and financial information, will address the financial, operational, compliance and information technology risks, and the objectives of these controls are to provide reasonable assurance that there are no material financial misstatements or material loss and assets are safeguarded.

The Management is responsible for designing, implementing and monitoring the risk management and internal control systems within the Group. The Management regularly reviews the Group's business and operational activities to identify areas of significant risks as well as appropriate measures to control and mitigate these risks. Any significant matters are highlighted to the Board and the AC for their deliberation. To further review the adequacy and effectiveness of internal controls, the AC is assisted by various independent professional service providers. The assistance of the internal auditors enabled the AC to carry out assessments of the effectiveness of key internal controls during the year.

Material non-compliance or weaknesses in internal controls or recommendations from the internal auditors and external auditors to further improve the internal controls, including the Management's action plans to be undertaken to address the recommendations, were reported to the AC. In FY2024, there were no material non-compliance or weaknesses in internal controls or recommendations from the internal auditors and external auditors.

The AC also follows up on the actions taken by the Management on the recommendations made by the internal auditors and external auditors arising from their work performed. Based on the reports submitted by the internal and external auditors received by the AC and the Board, nothing material has come to the attention of the AC and the Board to cause the AC and the Board to believe that the internal controls are not satisfactory based on the current size and nature of the Group's business.

The Group has an Enterprise Risk Management Framework in place to manage its exposure to risks that are associated with the conduct of its business. The Board will continue its risk assessment, which is an on-going process, with a view to improve the Group's internal controls and risk management systems.

CORPORATE GOVERNANCE REPORT

Provision 9.2

The Directors have received and considered the representation letters from the CEO and Financial Controller of the Company ("FC") in relation to the financial information for FY2024. The CEO and FC have also assured the Board that:

- (i) the financial records have been properly maintained and the financial statements for FY2024 give a true and fair view in all material aspects, of the Company's operations and finances; and
- (ii) the Group's internal controls and risk management systems are adequate and operating effectively in all material aspects given its current business environment.

For FY2024, the following were performed to review adequacy and effectiveness of the Group's risk management and internal controls systems:

- (a) Board Committee meetings were held with key management personnel to discuss and review the financial and operational performance of the Group, and internal controls issues, where applicable, were discussed and addressed during such meetings;
- (b) an external audit was performed by the external auditors and control gaps in financial controls were presented and highlighted to the AC for its review and such control gaps were appropriately addressed by the AC;
- (c) a review of financial, operational and compliance matters was performed by the internal audit team and significant internal control matters were highlighted to the FC and key management personnel and appropriately addressed by the respective business units; and
- (d) discussions were held between the AC, the internal audit team and the external auditors in the absence of key management personnel to address any potential concerns.

Based on the abovementioned work performed, internal controls established and maintained by the Group, work performed by the internal auditors and external auditors, reviews performed by the Management and the controls and processes which are currently in place, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective as at 31 December 2024.

Audit Committee

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

Provision 10.1

The AC has its terms of reference, setting out its duties and responsibilities, which include the following:

- (a) to review with the external auditors, the audit plan, their evaluation of the system of internal controls, their audit report, their management letter and the Management's response;
- (b) to review with the internal auditors, the internal audit plan and evaluate at least annually the adequacy and effectiveness of the Group's internal controls, accounting and risk management systems;
- (c) to review the financial statements of the Group before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with and the requisite statutory/regulatory requirements;

CORPORATE GOVERNANCE REPORT

- (d) to review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- (e) to review the assurance from the CEO and the FC on the financial records and financial statements;
- (f) to review the internal controls and procedures, ensure co-ordination between the external auditors and the Management, review the assistance given by the Management to the external auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the external and internal auditors may wish to discuss (in the absence of the Management where necessary);
- (g) to review any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;
- (h) to review, where applicable, the role and effectiveness of the internal audit procedures;
- (i) to review and approve interested person transactions and review procedures thereof;
- (j) to consider the appointment or re-appointment of the external auditors (including the remuneration and terms of engagement of the external auditors) and matters relating to resignation or dismissal of the external and internal auditors;
- (k) to review the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;
- (l) to review the Company's whistle blowing policy;
- (m) to review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time;
- (n) to undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- (o) to review at least annually, the Group's key financial risk areas, with a view to provide an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports of the Company or, where the findings are material, to announce such material findings immediately via the SGXNet; and
- (p) to undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time.

The Group has implemented a whistle blowing policy whereby accessible channels are provided for employees to raise concerns about possible improprieties in matters of financial reporting, or misconduct or wrongdoing relating to the Group and its officers, which they become aware and to ensure that:

- (i) independent investigations are carried out in an appropriate and timely manner;
- (ii) appropriate action is taken to correct the weakness in internal controls and policies which allowed the perpetration of fraud and/or misconduct and to prevent a recurrence; and
- (iii) administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate, balance and fair, while providing re-assurance that employees will be protected from reprisals or victimisation for whistle blowing in good faith and without malice.

CORPORATE GOVERNANCE REPORT

The whistle blowing policy and procedures are reviewed by the AC from time to time to ensure that they remain relevant. The AC is responsible for the oversight and monitoring of whistle blowing. Identity of the whistle blower is kept confidential at all times, and the whistle blower will not be subject to detrimental or unfair treatment.

There were no reported incidents pertaining to whistle blowing during FY2024 and as at the date of this Annual Report.

Provision 10.2

The AC comprises three (3) members, all of whom including the AC Chairman, are Independent and Non-Executive Directors and the Lead Independent Director is the AC Chairman. The AC comprises the following members:

- (a) Mr. Ong Kian Guan (Chairman)
- (b) Mr. Wong Chee Meng Lawrence
- (c) Mr. Jeffrey Ong Shen Chieh

The AC members, including the AC Chairman, possess experience in finance, legal and business management which are appropriately qualified, having the relevant accounting or related financial management expertise, as interpreted by the Board in its business judgment, to discharge their responsibilities.

Provision 10.3

Provision 10.4

External Audit Function

The AC is kept updated annually or from time to time on any changes to the accounting and financial reporting standards by the external auditors. In the review of the financial statements, the AC has discussed with the Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements.

The AC has considered the report from the external auditors, including their findings on the significant risks and audit focus areas. Significant matters that were discussed with the Management and the external auditors have been included as Key Audit Matters (the "KAM") in the audit report for FY2024 on page 76 of this Annual Report. In assessing the KAM, the AC took into consideration the approach and methodology applied as well as the reasonableness of the estimates and key assumptions used. The AC concluded that the Management's accounting treatment and estimates in the KAM were appropriate.

Annually, the AC conducts a review of all non-audit services provided by the external auditors. The AC will receive an audit report from the external auditors setting out the non-audit services provided and fees charged, and review the nature and extent of such services, to ensure that the non-audit services will not prejudice the independence and objectivity of the external auditors.

The total fees paid/payable to the Company's external auditors, Messrs. Moore Stephens LLP, for FY2024 are set out below:

	S\$'000	% of fees
Audit fees	88	100%
Non-audit fees	-	-
Total fees	88	100%

CORPORATE GOVERNANCE REPORT

In FY2024, there were no non-audit services provided by the external auditors.

The AC is given the task of commissioning investigation into matters where there is suspected fraud or irregularity, or failure of internal control or infringement of any law, rule or regulation which has or likely to have a material impact on the Company's operating results or financial position, and to review its findings.

The AC is kept updated annually or from time to time on any changes to the accounting and financial reporting standards by the external auditors. The AC also recommends to the Board the appointment, re-appointment and removal of external auditors, and approves the remuneration and terms of engagement of the external auditors. The re-appointment of the external auditors is always subject to Shareholders' approval at the AGM.

In reviewing the nomination of Messrs. Moore Stephens LLP for re-appointment as the Company's external auditors for the financial year ending 31 December 2025, the AC has considered the adequacy of the resources, experience and competence of Messrs. Moore Stephens LLP and the audit partner-in-charge assigned to the audit, and has taken into account the ACRA's Audit Quality Indicators Disclosure Framework relating to Messrs. Moore Stephens LLP at the firm level and on audit engagement level. Consideration was also given to the firm's other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional team members handling the audit. The Board also considered the audit team's ability to work in a cooperative manner with the Management whilst maintaining integrity and objectivity and to deliver their services professionally and within agreed timelines. Messrs. Moore Stephens LLP have also confirmed their independence, and that they are registered with the ACRA and approved under the Accountants Act 2004 of Singapore. The audit partner-in-charge assigned to the audit is a registered public accountant under the Accountants Act 2004 of Singapore.

On the basis of the above, the AC and the Board are satisfied with the standard and quality of work performed by Messrs. Moore Stephens LLP and have recommended the nomination of Messrs. Moore Stephens LLP for re-appointment as external auditors of the Company for the ensuing year be tabled for Shareholders' approval at the forthcoming AGM.

For FY2024, the Company confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of audit firms for the Group. The AC and the Board are satisfied with the standards and the effectiveness of the audits performed by the external auditors of the significant subsidiaries of the Group.

No former partner or director of the Company's existing auditing firm or auditing corporation has acted as a member of the AC (a) within a period of two (2) years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

The AC met twice in FY2024.

Internal Audit Function

The internal audit function of the Group is currently outsourced to NLA Risk Consulting Pte Ltd ("**NLA Risk Consulting**"). NLA Risk Consulting is part of NLA DFK, a group of accounting and advisory firms with a history in Singapore since 1948. NLA DFK is a member firm of DFK International, a top ten (10) international association of independent accounting firms and business advisers. NLA Risk Consulting is a suitably appointed qualified firm of risk consultants (including Certified Internal Auditors), with its processes guided by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

CORPORATE GOVERNANCE REPORT

The firm currently maintains an outsourced internal audit portfolio of about twenty (20) companies listed on the SGX-ST in various industries, including construction, property development, manufacturing, healthcare, logistics, engineering services and trading. The engagement team from NLA Risk Consulting comprises a director, a manager and is supported by a team of trained internal auditors. The director, Mr. Gary Ng, has over twenty (20) years of relevant experience and is a Certified Internal Auditor, whilst the manager has more than ten (10) years of relevant experience and is also a Certified Internal Auditor.

NLA Risk Consulting reports directly to the AC on internal audit matters and the CEO on administrative matters. NLA Risk Consulting, as the internal auditor of the Company, has unfettered access to all the Group's documents, records, properties and personnel, including access to AC, and has appropriate standing within the Group.

The AC decides on the appointment, removal, termination, evaluation and compensation of the internal auditors. The AC would annually review the independence, adequacy and effectiveness of the internal audit function of the Group. The AC is satisfied that the outsourced internal audit function is independent, adequately resourced, effective, and has the appropriate standing within the Group. The AC is also of the view that the outsourced internal audit function is adequately staffed with persons with the relevant qualification and experience, and adhere to professional standards including those promulgated by the Institute of Internal Auditors.

Provision 10.5

In the course of FY2024, the AC carried out the following activities, amongst others:

- reviewed half-year and full-year financial statements (unaudited and audited), and recommended such reports to the Board for approval;
- reviewed the adequacy and effectiveness of the Group's risk management and internal control systems;
- reviewed interested person transactions;
- reviewed and approved the annual external audit plan of the external auditors;
- reviewed and approved the internal audit plan of the internal auditors;
- reviewed the adequacy, effectiveness, independence, scope and results of the external and internal audit function;
- reviewed the annual re-appointment of the external auditors and determined their remuneration, and made a recommendation to the Board for approval; and
- met with the external auditors and the internal auditors once without the presence of the Management.

In discharging the above duties, the AC confirms that it has full access to and co-operation from the Management and is given full discretion to invite any Director or key management personnel to attend its meetings. In addition, the AC has been given reasonable resources to enable it to perform its function properly.

CORPORATE GOVERNANCE REPORT

4. 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

Shareholders are informed of the general meetings of the Company through the announcements released on the SGXNet and notices contained in the annual reports or circulars issued by the Company. Shareholders are also informed of the poll voting procedures at the general meetings. All Shareholders are entitled to attend the general meetings and are provided the opportunity to participate in and vote at the general meetings. If any Shareholder is unable to attend, he/she is allowed to appoint up to two (2) proxies to vote on his/her behalf at the general meetings through the proxy form sent in advance.

Shareholders are encouraged to attend the Company's general meetings to ensure a high level of accountability and to be updated on the Group's strategies and goals. Notices of the general meetings are published in the newspaper and despatched to Shareholders, together with explanatory notes or a circular on items of special businesses (if necessary), at least fourteen (14) clear calendar days before the meetings. The Board welcomes questions from Shareholders who wish to raise issues, either informally or formally before or during the AGM.

The Company acknowledges that voting by poll in all its general meeting is integral in the enhancement of corporate governance. All resolutions at the Company's general meetings are put to vote by poll. The poll voting procedures are clearly explained by the scrutineers at such general meetings. The detailed results of each resolution are announced via the SGXNet after the general meetings.

The Company's Constitution does not include the nominee or custodial services to appoint more than two (2) proxies.

On 3 January 2016, the legislation was amended, among other things to allow certain members, defined as "Relevant Intermediary" to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant Intermediary includes corporations holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors.

The Company's Constitution also provides that Shareholders, who are entitled to attend, speak and vote at the AGM, are entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her stead. A proxy need not be a Shareholder of the Company. The instrument appointing a proxy or proxies must be deposited at the place specified in the notice of the general meetings not less than seventy-two (72) hours before the time appointed for holding the general meetings.

Provision 11.2

The resolutions tabled at the general meetings are on each substantially separate issue, unless the issues are interdependent and linked so as to form one significant proposal. If a scenario arises where the resolutions are inter-conditional, the Company will explain the reasons and material implications in the notice of general meeting. The Company typically ensures that there are separate resolutions at general meetings on each distinct issue. Detailed information on each resolution is set out in the notice of general meeting.

CORPORATE GOVERNANCE REPORT

Provision 11.3

At general meetings of the Company, Shareholders are given the opportunity to communicate their views and are encouraged to ask the Directors and the Management questions regarding matters affecting the Company and the Group.

The Chairman of the AC, NC and RC are normally present and available to address questions relating to the work of their respective Board Committees at general meetings. Furthermore, the external auditors are present to assist the Board in addressing any relevant queries from Shareholders, including the conduct of audit and the preparation and content of the auditors' report. All Directors will endeavour to be present at the Company's general meetings of Shareholders to address Shareholders' queries. In FY2024, all Directors and the Company's external auditors were present at the Company's AGM that was held on 24 April 2024.

Provision 11.4

The Company supports active Shareholders' participation at general meetings. All Shareholders are encouraged to attend the general meetings of the Company to ensure high level of accountability and to stay informed of the Group's strategies and visions. If Shareholders are unable to attend the general meetings, the Constitution of the Company allows for Shareholders who are not relevant intermediaries to appoint not more than two (2) proxies to attend, speak and vote at general meetings in their absence, and Shareholders who are relevant intermediaries to appoint more than two (2) proxies to attend, speak and vote at general meetings. In order to have a valid registration of proxy, the proxy forms must be sent in advance to the place(s) as specified in the notice of the general meetings at least seventy-two (72) hours before the time set for the general meetings.

Voting by absentia by mail, facsimile or email is currently not provided in the Company's Constitution as such voting methods would need to be cautiously studied for its feasibility to ensure that the integrity of the information and the authenticity of the Shareholder's identity is not compromised.

Provision 11.5

Minutes are taken of all general meetings, and where appropriate, include all substantial and relevant comments or queries from Shareholders relating to the agenda of the general meeting and the responses from the Board and the Management. Such minutes, which are subsequently approved by the Board, will be made available to Shareholders on the Company's corporate website and on the SGXNet, within one (1) month from the date of the general meeting.

Provision 11.6

The Group does not have a formal dividend policy at present. The form, frequency and amount of dividends declared each year will take into consideration the Group's earnings, general financial condition, results of operations, capital requirements, cash flow, general business conditions, the Group's development plans and other factors as the Board may deem appropriate.

The Company did not declare any dividend for FY2024 as the Board deems it appropriate to conserve funds for the Group's business activities given that the Group recorded a net loss for FY2024.

CORPORATE GOVERNANCE REPORT

5. 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.

Provision 12.1

The Company firmly believes in high standards of transparent corporate disclosure by disclosing to its stakeholders, including its Shareholders the relevant information on a timely basis through the SGXNet. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable.

Communication is made through:

- annual reports that are prepared and released on the SGXNet and the Company's corporate website available to all Shareholders. The Board ensures that the annual report includes all relevant material information about the Company and the Group, including future developments and other disclosures required by the relevant rules and regulations;
- half year and full year results announcements containing a summary of the financial information and affairs of the Group for that period;
- notices of explanatory memoranda for AGM and extraordinary general meeting of the Company; and
- press and news releases on major developments of the Company and the Group.

The Company does not practice selective disclosure. Price sensitive information is first publicly released through the SGXNet, either before the Company meets with any investors or analysts.

Provision 12.2

Provision 12.3

By supplying Shareholders with reliable and timely information, the Company is able to strengthen the relationship with its Shareholders based on trust and accessibility. The Company has engaged an investor relations firm who focuses on facilitating the communications with all stakeholders, Shareholders, analysts and media on a regular basis, to attend to their queries or concerns as well as to keep the investors and public apprised of the Group's corporate developments and financial performance. The contact details of the Company's investor relations firm are set out in the "Corporate Information" section of this Annual Report.

CORPORATE GOVERNANCE REPORT

6. MANAGING STAKEHOLDINGS 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.

Provision 13.1

Provision 13.2

The Company acknowledges the importance of establishing effective communication among the stakeholders through regular engagement and various communication platforms to achieve mutually beneficial goals.

The Company has identified six (6) stakeholders’ groups, namely, the Board, employees, Shareholders and investing community, customers, suppliers/business partners, and government and regulators. The Company’s approach to the engagement with key stakeholders and materiality assessment are disclosed in the Company’s Sustainability Report for FY2024, which is included in this Annual Report, where the Company would continue to monitor and improve to ensure the best interest of the Company.

Provision 13.3

To promote regular, effective and fair communication with Shareholders, the Company maintains a corporate website at www.eindec.com.sg through which Shareholders are able to access up-to-date information on the Group.

7. INTERESTED PERSON TRANSACTIONS (“IPTs”)

The Company has established guidelines and review procedures for on-going and future IPTs. The IPTs are subject to review by the AC to ensure that they are on normal commercial terms and on an arm’s length basis, that is, the transactions are transacted in terms and prices not more favourable to the interested persons than if they were transacted with a third party and are not prejudicial to the interests of the Group or the Company’s minority Shareholders in any way.

All IPTs are subject to review by the AC to ensure compliance with established procedures.

The Company does not have a general mandate from Shareholders for IPTs pursuant to Rule 920 of the Catalist Rules. The aggregate value of IPTs that were more than S\$100,000 entered into during FY2024 as required for disclosure pursuant to Rule 1204(17) of the Catalist Rules is as follows:-

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		S\$’000	S\$’000
Weiye Holdings Limited	Controlling Shareholder ⁽²⁾	93 ⁽¹⁾	–

CORPORATE GOVERNANCE REPORT

Notes:

- (1) Interest expense relating to a loan previously provided by Weiye Holdings Limited ("Weiye") (a former controlling shareholder of the Company and an associate of the Company's Executive Chairman and Chief Executive Officer). Pursuant to the loan agreement, the Company shall pay interest on the outstanding amount at a rate equivalent to the 3-month Singapore Overnight Rate Average (SORA). The outstanding loan owing to Weiye is for an amount of S\$2.24 million, unsecured and repayable on demand. The value at risk of this transaction amounted to less than 3% of the audited NTA value of the Group for FY2023.
- (2) Weiye ceased to be a controlling shareholder of the Company in October 2024. Mr. Zhang Wei, Executive Chairman and Chief Executive Officer, owns 54.46% of the issued and paid-up share capital of Weiye as at the date of this Annual Report.

8. MATERIAL CONTRACTS

Save as disclosed under the "Interested Person Transactions" section above as well as the related party transactions and Directors' remuneration disclosed in Note 23 to the Financial Statements of this Annual Report, there were no material contracts (including loans) entered into by the Company or any of its subsidiaries involving the interests of the CEO, or any Director or controlling Shareholder, which are either still subsisting as at the end of FY2024 or if not then subsisting, entered into since the end of the previous financial year.

9. DEALINGS IN SECURITIES

The Company has adopted its own internal Code of Best Practices to provide guidance to all officers and employees of the Company and its subsidiaries with regard to dealings in the Company's securities in compliance with Rule 1204(19) of the Catalist Rules. The Company and its officers are prohibited from dealing in the Company's securities during the periods commencing one (1) month before the announcement of the Company's half year and full year results and ending on the date of the announcement of the relevant results.

Directors and executives of the Company are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading period or while they are in possession of unpublished price-sensitive information of the Group. They are not to deal in the Company's securities on short-term considerations.

10. NON-SPONSOR FEES

With reference to Rule 1204(21) of the Catalist Rules, there were no non-sponsorship fees payable or paid to the Company's sponsor, ZICO Capital Pte. Ltd., for FY2024.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr. Ong Kian Guan (the "**Retiring Director**") is the Director seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 24 April 2025.

Pursuant to Rule 720(5) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), the information relating to the Retiring Directors as set out in Appendix 7F to the Catalist Rules is set out below:

Name of Retiring Director	Mr. Ong Kian Guan
Date of first appointment	23 April 2022
Date of last re-appointment (if applicable)	26 April 2023
Age	57
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	<p>The re-election of Mr. Ong Kian Guan ("Mr. Ong") was recommended by the Nominating Committee of the Company ("NC") and the Board of Directors of the Company ("Board") has accepted the recommendation, after taking into consideration, among others, (i) the qualifications, work experience, independence and suitability of Mr. Ong; (ii) the performance and contributions of Mr. Ong since his appointment as an Independent Director of the Company; and (iii) the size, composition and diversity of skillsets on the Board.</p> <p>The Board is of the view that Mr. Ong possesses the experience, expertise, knowledge and skillsets to contribute meaningfully towards the core competencies of the Board.</p> <p>Mr. Ong is considered independent by the Board for the purpose of Rule 704(7) of the Catalist Rules.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Director, Chairman of the Audit Committee and a member of the NC and the Remuneration Committee
Professional qualifications	<p>Bachelor of Accountancy from the Nanyang Technological University</p> <p>Fellow of the Institute of Singapore Chartered Accountants</p> <p>Fellow of CPA Australia</p>
Working experience and occupation(s) during the past 10 years	<p>September 2019 to present Managing Partner of Baker Tilly TFW LLP</p> <p>October 2005 to present Head of Capital Markets of Baker Tilly TFW LLP</p>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Retiring Director	Mr. Ong Kian Guan
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments Including Directorships	
Present	<ul style="list-style-type: none"> • Eindex Corporation Limited (April 2022 to present) • Baker Tilly TFW LLP (September 2019 to present) • China XLX Fertiliser Ltd. (May 2007 to present) • Omnibridge Holdings Limited (December 2020 to present) • Baker Tilly Vision Pte. Ltd. (July 2020 to present) • Baker Tilly Services Pte Ltd (April 2024 to present) • Park Crescent Services Pte Ltd (July 2014 to present) • TFW Management Services Pte Ltd (March 2012 to present) • Lightway Corporate Services Pte. Ltd. (October 2016 to present) • Baker Tilly Consultancy (Singapore) Pte. Ltd. (January 2007 to present) • ISCA Cares Limited (September 2023 to present)
Past (for the last 5 years)	<ul style="list-style-type: none"> • RMH Holdings Limited (September 2017 to September 2021) • MaxWin International Holdings Limited (formerly known as IAG Holdings Limited (December 2017 to April 2020)
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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Retiring Director	Mr. Ong Kian Guan
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Retiring Director	Mr. Ong Kian Guan
(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 (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The directors present their statement to the members together with the audited consolidated financial statements of Eindex Corporation Limited (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 31 December 2024 and the statement of financial position of the Company as at 31 December 2024.

In our opinion:

- (a) the financial statements are drawn up so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s"); 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.

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

1 Directors

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

Zhang Wei
Ong Kian Guan
Wong Chee Meng Lawrence
Ong Shen Chieh (Wang Shengjie)
Jiang Nan

2 Directors' Interests in Shares or Debentures

According to the register kept by the Company for the purposes of Section 164 of the Act, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

Name of director and corporation in which interests are held	Direct interest			Deemed interest		
	As at 1.1.2024 ('000)	As at 31.12.2024 ('000)	As at 21.1.2025 ('000)	As at 1.1.2024 ('000)	As at 31.12.2024 ('000)	As at 21.1.2025 ('000)
	No. of ordinary shares					
The Company						
Zhang Wei	-	23,700	23,700	-	-	-
Immediate and ultimate holding company						
- Weiye Holdings Limited						
Zhang Wei	-	-	-	106,822	-	-

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

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, 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.

By virtue of Section 7 of the Act, Zhang Wei is deemed to have an interest in the other subsidiaries of Weiye Holdings Limited, the immediate and ultimate holding company, at the beginning of the financial year. On 15 October 2024, Weiye Holding Limited ceased to be the immediate and ultimate holding company. Consequently, Zhang Wei is no longer deemed to have any interest in the subsidiaries at the end of the financial year.

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company state that, according to the Register of the Directors' Shareholdings, the Directors' interests as at 21 January 2025 in the shares of the Company have not changed from those disclosed as at 31 December 2024.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Share Awards

Eindec Performance Share Plan ("PSP")

The Company has adopted the PSP as per details set out in the Company's offer document dated 6 January 2016 in relation to its listing on the Singapore Stock Exchange.

The PSP is administered by the Remuneration Committee whose members are:

- Wong Chee Meng Lawrence (Chairman), Independent Director
- Ong Kian Guan, Lead Independent Director
- Ong Shen Chieh (Wang Shengjie), Independent Director

Since the adoption of the PSP, no awards have been granted under the PSP.

4 Share Options

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

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

There were no share options granted during the financial year to subscribe for unissued shares of the Company or any corporation in the Group.

5 Audit Committee

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

- Ong Kian Guan (Chairman), Lead Independent Director
- Wong Chee Meng Lawrence, Independent Director
- Ong Shen Chieh (Wang Shengjie), Independent Director

The Audit Committee performs the functions specified in Section 201B of the Act, the Catalist Rules and the Code of Corporate Governance.

The Audit Committee has held two scheduled meetings and other discussions with the management on a periodical basis since the last directors' statement. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- half yearly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption;
- interested person transactions (as defined in Chapter 9 of the Catalist Rules); and
- significant matters impacting the financial statements, including the key audit matters, and the accounting principles and judgement of items as adopted by management for these significant matters.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

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

In appointing the external auditors of the Company and its subsidiaries, the Company has complied with Rules 712 and 715 of the Catalist Rules.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

6 Directors' opinion on the adequacy of internal controls

Based on the internal and financial controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management, other committees of the board and the board, the board, with the concurrence of the audit committee, is of the opinion that the Company's internal controls addressing financial, operational, compliance and information technology risks, and risk management systems were adequate and effective as at 31 December 2024.

7 Additional disclosure requirements of the Listing Manual of Singapore Exchange Securities Trading Limited

The auditors of the subsidiaries of the company are disclosed in Note 13 in the financial statements. In the opinion of the board and the AC, Rule 712 and Rule 715 of the Listing Manual Section B: Rules of Catalist of Singapore Exchange Securities Trading Limited have been complied with.

8 External Auditors

The external auditors, Moore Stephens LLP, Public Accountants and Chartered Accountants Singapore, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors,

ONG KIAN GUAN

ZHANG WEI

Singapore
28 March 2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EINDEC CORPORATION LIMITED
(INCORPORATED IN SINGAPORE)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Eindex Corporation Limited (the "Company") and its subsidiaries (collectively the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") 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 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.

INDEPENDENT AUDITOR’S REPORT

TO THE MEMBERS OF EINDEC CORPORATION LIMITED
(INCORPORATED IN SINGAPORE)

Key Audit Matters (cont’d)

Valuation of Non-Financial Assets

Key audit matter	How our audit addressed the key audit matter
<p>We refer to Note 3(g)(ii), Note 4(a), Note 11 and Note 12 to the consolidated financial statements.</p> <p>The Group has property, plant and equipment and intangible assets of approximately S\$6,131,000 and S\$14,000 respectively as at 31 December 2024. The Group incurred a net loss after tax of S\$182,000 for the financial year ended 31 December 2024. Management had therefore estimated the recoverable amount of its non-financial assets as at 31 December 2024 in accordance with Note 3(g)(ii) to the financial statements. This involved a comparison of the carrying value of the net assets of the cash-generating-unit (“CGU”) to its recoverable amount, which was determined based on management’s estimate of fair value less costs to sell (“FVLCTS”).</p> <p>For the CGU under assessment, the fair value of the CGU was based on management’s estimate of the fair value of its underlying freehold land, freehold and leasehold building. In prior years, management had assessed that no impairment was required for the CGU.</p> <p>For the current year, the recoverable amount of the CGU exceeds the carrying amount of its net assets, and management concluded that no impairment is necessary.</p> <p>This is a key audit matter as the determination of the recoverable amount of the CGU involves significant judgement in the appropriate determination of the CGU, the selection of the valuation methodology and the inputs used in the valuation model.</p>	<p>We have performed the following key audit procedures:</p> <ul style="list-style-type: none">• We evaluated the identification of the CGU of the Group against the requirements of the financial reporting standard.• We reviewed the basis and appropriateness of the valuation methodologies used in determining the recoverable amount of the CGU.• For the recoverable amount, based on FVLCTS, we compared the management’s estimation of the CGU’s freehold land, freehold and leasehold building’s fair value to publicly available information on recently transacted prices for the sale of comparable properties. <p>Based on our audit procedures performed, we found management’s assessment of the valuation of non-financial assets to be reasonable and the disclosures to be appropriate.</p>

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EINDEC CORPORATION LIMITED
(INCORPORATED IN SINGAPORE)

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 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EINDEC CORPORATION LIMITED
(INCORPORATED IN SINGAPORE)

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

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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 regulations preclude 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 Lip Kiam.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
28 March 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group 2024 S\$'000	2023 S\$'000
Revenue	5	13,730	15,895
Cost of sales		(9,679)	(11,410)
Gross profit		4,051	4,485
Other income	6	291	271
Administrative expenses		(4,220)	(4,429)
Expected credit reversal/(loss) on trade receivables		86	(104)
Other operating expenses		(97)	(24)
Results from operating activities		111	199
Finance income	7	27	25
Finance costs	7	(291)	(315)
Net finance costs		(264)	(290)
Loss before income tax	8	(153)	(91)
Income tax expense	9	(29)	(62)
Loss for the year		(182)	(153)
Other comprehensive income/(loss)			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences from foreign operations		344	(335)
Total comprehensive income/(loss) for the year		162	(488)
(Loss)/Income for the year attributable to:			
Owners of the Company		(151)	214
Non-controlling interests		(31)	(367)
		(182)	(153)
Total comprehensive income/(loss) for the year attributable to:			
Owners of the Company		194	(122)
Non-controlling interests		(32)	(366)
		162	(488)
(Loss)/Earnings per share (cents):			
Basic	10	(0.14)	0.20
Diluted	10	(0.14)	0.20

The accompanying notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		Group		Company	
	Note	2024	2023	2024	2023
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	11	6,131	5,701	-	-
Intangible assets	12	14	51	-	-
Subsidiaries	13	-	-	9,300	9,300
		<u>6,145</u>	<u>5,752</u>	<u>9,300</u>	<u>9,300</u>
Current Assets					
Inventories	14	2,984	3,278	-	-
Trade and other receivables	15	2,498	3,951	1,118	1,540
Cash and cash equivalents	16	4,630	3,549	164	117
Other investments	17	-	300	-	-
		<u>10,112</u>	<u>11,078</u>	<u>1,282</u>	<u>1,657</u>
Total Assets		<u>16,257</u>	<u>16,830</u>	<u>10,582</u>	<u>10,957</u>
EQUITY					
Share capital	18	14,917	14,917	14,917	14,917
Other reserves	19	(11,188)	(11,542)	-	-
Retained earnings/(Accumulated losses)		<u>3,440</u>	<u>3,591</u>	<u>(6,798)</u>	<u>(6,309)</u>
Equity attributable to owners of the Company		7,169	6,966	8,119	8,608
Non-controlling interests		-	(58)	-	-
Total Equity		<u>7,169</u>	<u>6,908</u>	<u>8,119</u>	<u>8,608</u>
LIABILITIES					
Non-Current Liabilities					
Loans and borrowings	20	2,151	1,790	-	-
Deferred tax liabilities	21	234	187	-	-
		<u>2,385</u>	<u>1,977</u>	<u>-</u>	<u>-</u>
Current Liabilities					
Loans and borrowings	20	2,397	1,515	-	-
Trade and other payables	22	4,143	6,339	2,463	2,349
Contract liabilities	5	162	91	-	-
Income tax payables		<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>6,703</u>	<u>7,945</u>	<u>2,463</u>	<u>2,349</u>
Total Liabilities		<u>9,088</u>	<u>9,922</u>	<u>2,463</u>	<u>2,349</u>
Total Equity and Liabilities		<u>16,257</u>	<u>16,830</u>	<u>10,582</u>	<u>10,957</u>

The accompanying notes form an integral part of the financial statements.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Attributable to equity holders of the Company					
	Share Capital S\$'000	Merger Reserve S\$'000	Foreign Currency Translation Reserve S\$'000	Statutory Reserve S\$'000	Retained Earnings S\$'000	Total S\$'000
At 1 January 2023	14,917	(9,138)	(2,253)	174	3,388	7,088
Profit/(Loss) for the year	-	-	-	-	214	214
<i>Other comprehensive (loss)/income</i>						
Foreign currency translation differences from foreign operations	-	-	(336)	-	-	(336)
Total comprehensive (loss)/income for the year	-	-	(336)	-	214	(122)
Capital contribution by non-controlling shareholders	-	-	-	-	-	-
Disposal of a subsidiary	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	11	(11)	-
At 31 December 2023	14,917	(9,138)	(2,589)	185	3,591	6,966
					992	8,080
					(367)	(153)
					1	(335)
					(366)	(488)
					11	11
					(695)	(695)
					-	-
					(58)	6,908

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	<u>Note</u>	Group <u>2024</u> S\$'000	<u>2023</u> S\$'000
Cash Flows from Operating Activities			
Loss before income tax		(153)	(91)
Adjustments for:			
Amortisation of intangible assets	8	39	39
Depreciation of property, plant and equipment	8	444	763
(Reversal of)/ expected credit loss on trade receivables	8	(86)	104
Gain on disposal of subsidiaries	13	(200)	(53)
Gain on disposal of property, plant and equipment		(12)	-
Gain on lease modification	6	(3)	(6)
Property, plant and equipment written-off	8	2	5
Inventory written off	8	7	10
Reversal of allowance for inventory obsolescence	8	(28)	-
Finance costs	7	291	315
Finance income	7	(27)	(25)
Unrealised foreign exchange loss/(gain)		54	(20)
		<hr/> 328	<hr/> 1,041
Changes in working capital:			
- inventories		208	630
- trade and other receivables		811	95
- trade and other payables		(858)	852
- contract liabilities		95	(35)
		<hr/> 584	<hr/> 2,583
Cash generated from operations		27	25
Interest received		(57)	(48)
Tax paid		<hr/> 554	<hr/> 2,560
Net cash generated from operating activities			
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(130)	(166)
Proceeds from disposal of property, plant and equipment		16	7
Net cash outflow from disposal of subsidiaries	13(b)	(28)	(5)
Purchase of intangible assets		(2)	-
Net proceeds from redemption of other investments		300	459
Net cash generated from investing activities		<hr/> 156	<hr/> 295

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

	<u>Note</u>	Group <u>2024</u> S\$'000	<u>2023</u> S\$'000
Cash Flows from Financing Activities			
Capital contribution from non-controlling interests		-	11
Interest paid		(198)	(201)
Principal payment of lease liabilities		(230)	(578)
Proceeds from bank loan		658	-
Repayment of bank loans		(68)	(823)
Net cash generated from/(used in) financing activities		<u>162</u>	<u>(1,591)</u>
Net increase in cash and cash equivalents		872	1,264
Cash and cash equivalents at the beginning of the financial year		3,076	1,808
Effect of currency translation on cash and cash equivalents		(26)	4
Cash and cash equivalents at the end of the financial year	16	<u>3,922</u>	<u>3,076</u>

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

These notes form an integral part and should be read in conjunction with the accompanying financial statements.

1 Domicile and Activities

Eindec Corporation Limited (the “Company”) is a company incorporated in Singapore. The address of the Company’s registered office is 10 Bukit Batok Crescent, #06-05 The Spire, Singapore 658079.

The Company was listed on the Catalist Board of the SGX-ST on 15 January 2016.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are set out in Note 13 of the consolidated financial statements.

The consolidated financial statements of the Group as at and for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”).

2 Basis of Preparation

(a) Statement of Compliance

The financial statements have been prepared in accordance with the provisions of the Companies Act 1967 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I”).

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

(c) Functional and Presentation Currency

These financial statements are presented in Singapore dollars, which is the Company’s functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

(d) Use of Estimates and Judgements

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the next financial year are included in Note 4.

Measurement of fair values

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

The accounting policies have been applied consistently by Group entities.

(a) Basis of Consolidation

Business combinations

The Group applies the acquisition method to account for business combinations when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether an integrated set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create output. The Group has an option to apply a 'fair value concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test can be applied on a transaction-by-transaction basis. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the test is met, the set of activities and assets is determined not to be a business and no further assessment is needed. If the test is not met, or if the Group elects not to apply the test, a detailed assessment must be performed applying the normal requirements in SFRS(I) 3.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree, over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Subsidiaries

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

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material Accounting Policies (cont'd)

(a) Basis of Consolidation (cont'd)

Business combinations (cont'd)

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Subsidiaries in the separate financial statements

Investment in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

(b) Foreign Currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and foreign currency translation reserve in equity. When a foreign operation is disposed of such that control is lost, the cumulative amount in the 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 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 and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the foreign currency translation reserve in equity.

(c) Financial Instruments

Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material Accounting Policies (cont'd)

(c) Financial Instruments (cont'd)

Recognition and initial measurement (cont'd)

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material Accounting Policies (cont'd)

(c) Financial Instruments (cont'd)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities are classified as measured at amortised cost. Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised loans and borrowings, bank overdrafts, and trade and other payables.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material Accounting Policies (cont'd)

(c) Financial Instruments (cont'd)

Derecognition (cont' d)

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

Intra-group financial guarantees in the separate financial statements

Financial guarantees are financial instruments issued by the Company that require 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.

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.

Expected credit losses ("ECLs") are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

(d) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(e) Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Freehold land is measured at cost less accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material Accounting Policies (cont'd)

(e) Property, Plant and Equipment (cont'd)

Recognition and measurement (cont'd)

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use.

The estimated useful lives for the current and comparative years are as follows:

Freehold building	50 years
Leasehold building	34.75 years
Leasehold building (right-of-use assets)	As per lease term
Factory equipment	5 to 10 years
Building and factory improvements	5 to 10 years
Plant and machinery	5 to 12 years
Motor vehicles	5 to 10 years
Furniture and fittings	3 to 10 years
Office equipment and computers	3 to 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. 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 the estimated costs of completion and estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material Accounting Policies (cont'd)

(g) Impairment

(i) Non-derivative financial assets and contract assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised costs.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

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

- the borrower 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 remains outstanding beyond management's expected range of past due days taking into consideration past payment trends, macroeconomic and industry conditions.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material Accounting Policies (cont'd)

(g) Impairment (cont'd)

(i) **Non-derivative financial assets and contract assets** (cont'd)

Credit-impaired financial assets (cont'd)

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default (as defined above);
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

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

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) **Non-financial assets**

The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(h) Employee Benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

4 Material Accounting Policies (cont'd)

(h) Employee Benefits (cont'd)

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. 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.

(i) Revenue

Goods and services sold

Revenue from the sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or completing a service 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 or services. The individual standalone selling price of a good or service 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 price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for the time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue is recognised at a point in time following the timing of satisfaction of the PO.

A contract asset is recognised when the value of goods delivered or services rendered for a contract exceeds payments received from the customer. The contract asset is transferred to trade receivables when the entitlement to payment becomes unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

The classification of a contract asset and contract liability is determined separately for each individual customer contract.

(j) Leases

When the Group is a lessee

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

The Group recognises right-of-use assets and lease liabilities at the date which the underlying assets become available for use. Right-of-use assets are measured at cost, which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement dates, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material Accounting Policies (cont'd)

(j) Leases (cont'd)

When the Group is a lessee (cont'd)

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the corresponding lease liabilities. The Group presents its right-of-use assets in "Property, plant and equipment" and lease liabilities in "Loans and borrowings" in the statement of financial position.

The initial measurement of lease liabilities is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

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

- Fixed payments (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease components. The Group has elected not to separate lease and non-lease components for property leases; instead, these are accounted for as one single lease component.

Lease liabilities are measured at amortised cost, and are remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise lease extension and termination options;
- There is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- There is a modification to the lease term.

When lease liabilities are remeasured, corresponding adjustments are made against the right-of-use assets. If the carrying amounts of the right-of-use assets have been reduced to zero, the adjustments are recorded in profit or loss. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less, as well as leases of low value assets, except in the case of sub-lease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Variable lease payments that are based on an index or a rate are included in the measurement of the corresponding right-of-use assets and lease liabilities. Other variable lease payments are recognised in profit or loss when incurred.

Short-term lease and lease of low-value assets

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

(k) Finance Income and Finance Costs

Finance income comprises on interest income earned from cash and cash equivalents and funds invested. Interest income is recognised as it accrues in the profit or loss, using the effective interest method.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material Accounting Policies (cont'd)

(l) Income Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group has determined that uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investment in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(m) Earnings per Share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which include bonus warrants issued to shareholders.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material Accounting Policies (cont'd)

(n) Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer ("CEO") (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), other investments, cash (managed at head office), head office expenses, tax assets and liabilities, loans and borrowings and head office accruals.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets.

(o) Application of Singapore Financial Reporting Standards (International) ("SFRS(I)")

A number of new standards, amendments to standards and interpretations are not yet effective and have not been applied in preparing these financial statements. An explanation of the impact, if any, on adoption of these new requirements is provided in Note 27.

4 Critical Accounting Estimates, Assumptions and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group believes the following critical accounting policies involve judgements and estimates used in the preparation of the financial statements.

(a) Sources of Estimation Uncertainty

Impairment of non-financial assets, including property, plant and equipment and intangible asset

The Group assesses at each reporting date whether there is an indication that its non-financial assets are impaired. To determine whether there is an indication of impairment, the Group considers factors such as general economic conditions, industry developments, local government policies and other factors which could affect the carrying value of these assets. An impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell.

The recoverable amount for the Group's non-financial assets was largely based on the estimated fair value of its underlying freehold land and building and leasehold building which is determined by management using comparable property values based on their recent transacted prices. The fair value is based on market value, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The recoverable amount could change significantly as a result of changes in market conditions.

Depreciation of property, plant and equipment and amortisation of intangible assets

Property, plant and equipment are depreciated on a straight-line basis over their useful lives which are estimated to be between 3 to 50 years. Intangible assets are amortised on a straight-line basis over their useful lives which are estimated to be 3 to 5 years.

The Group reviews the estimated useful lives of these assets annually in order to determine the amount of depreciation and amortisation expense to be recorded during any reporting period. The estimation of useful lives is based on assumptions about wear and tear, ageing, asset utilisation, anticipated use of the assets, technical standards and changes in demand as well as the Group's historical experience with similar assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of property, plant and equipment and intangible asset would increase depreciation and amortisation expense respectively and decrease non-current assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

4 Critical Accounting Estimates, Assumptions and Judgements (cont'd)

(a) Sources of Estimation Uncertainty (cont'd)

Valuation of trade receivables

Trade receivables balances are subjected to the expected credit loss impairment model. Measurement of ECL allowance for trade receivables and key assumptions in determining the weighted-average loss rate is disclosed in Note 26(a)(i).

The Group evaluates the ECLs using a provision matrix estimate for trade receivables. The Group determines the estimates based on the ageing of the trade receivables balance, credit quality of the debtors and historical write-off experience. If, however, the financial conditions of the trade receivables were to deteriorate, actual write-offs would be higher than estimated.

Valuation of inventories

Where necessary, allowance for inventory obsolescence would be set up for estimated losses which may result from obsolete inventories held. The Group estimates the level of allowance based on the prevailing market conditions and historical inventory utilisation experience. The required level of allowance could change significantly as a result of changes in market conditions.

(b) Critical Judgements in Applying Accounting Policies

In the preparation of the financial statements, there were no critical judgements that management made in the process of applying the Group's accounting policies that are expected to have a significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

5 Revenue

	Group	
	<u>2024</u> S\$'000	<u>2023</u> S\$'000
Sale of goods	13,215	15,649
Installation service	515	246
	<u>13,730</u>	<u>15,895</u>

The nature of goods and services is similar for the Group's five operating segments. There is no significant difference in the contractual arrangements made in the five operating segments.

The following table provide information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Nature of goods or services	<ul style="list-style-type: none"> i) The Group manufactures clean air environmental technology solutions equipment and clean room equipment based on the customer's specification. The two kinds of products, are very similar to each other; ii) The Group also provide installation and maintenance services at the request of the customer; and iii) The Group sources and supplies the product without holding inventory for its trading business.
When revenue is recognised	<p>For sales of goods, revenue is recognised at a point in time when goods are delivered to the customer and criteria for acceptance have been satisfied.</p> <p>For installation service, revenue is recognised at the completion of the installation service. Revenue includes the goods to be installed. The installation service is typically completed shortly after delivery of goods. The lead time between the delivery of goods and installation of the delivered goods is insignificant.</p>
Significant payment terms	<p>Invoices are issued upon delivery of goods or the completion of service and are payable within 30-60 days.</p> <p>In cases where the Group received cash paid in advance of goods delivered and to the extent that they remain undelivered at the balance sheet date, the Group defers recognition of revenue and recognises such amounts in the statement of financial position as "contract liabilities".</p>
Obligations for warranties	<p>Product or equipment comes with a standard warranty of one year, under which customers are able to return and replace any defective products. The standard warranty is consistent with market practice.</p> <p>There is no variable consideration such as volume discounts or sales rebates provided to customers.</p>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

5 Revenue (cont'd)

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 25).

	Clean room equipment				Heat ventilation and air-conditioning products				Reportable segment				Trading and distribution of agricultural products				Others				Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
Primary geographical markets																						
Singapore	1,249	1,235	7,851	9,831	-	-	-	-	-	-	-	-	-	-	170	272	9,270	11,338				
Malaysia	238	198	97	3	-	-	-	-	-	-	-	-	-	-	-	2	335	203				
People's Republic of China ("PRC")	-	-	-	-	-	-	-	-	-	-	-	-	-	-	737	126	3,222	3,390				
Indonesia	92	125	36	23	-	-	-	-	-	-	-	-	-	-	-	-	128	148				
Hong Kong	-	-	87	-	-	-	-	-	-	-	-	-	-	-	-	-	87	-				
Philippines	441	669	96	5	-	-	-	-	-	-	-	-	-	-	-	-	537	674				
India	64	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	64	-				
Others	78	105	9	37	-	-	-	-	-	-	-	-	-	-	-	-	87	142				
	2,162	2,332	8,176	9,899	279	3,264	2,206	-	907	400	13,730	15,895										
Major products/ service line																						
Sale of goods	1,647	2,086	8,176	9,899	279	3,264	2,206	-	907	400	13,215	15,649										
Installation service	515	246	-	-	-	-	-	-	-	-	515	246										
	2,162	2,332	8,176	9,899	279	3,264	2,206	-	907	400	13,730	15,895										
Timing of revenue recognition																						
At a point in time	2,162	2,332	8,176	9,899	279	3,264	2,206	-	907	400	13,730	15,895										

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

5 Revenue (cont'd)

Contract balances

The following table provides information about contract liabilities from contracts with customers.

	Group	
	31 December	1 January
	<u>2024</u>	<u>2023</u>
	S\$'000	S\$'000
Contract liabilities	162	213

The contract liabilities primarily relate to advance consideration received from customers for sale of goods.

Significant changes in the contract liabilities balances during the period are as follows.

	Group	
	<u>2024</u>	<u>2023</u>
	S\$'000	S\$'000
Contract liabilities		
Revenue recognised during the year that was included in the contract liabilities balance at the beginning of the year	(88)	(213)
Increase due to cash received excluding amounts recognised as revenue during the year	163	93
Derecognition on disposal of subsidiaries	(2)	-
Effect of movement in exchange rate	(2)	(2)

6 Other Income

	Group	
	<u>2024</u>	<u>2023</u>
	S\$'000	S\$'000
Gain on disposal of subsidiaries (Note 13)	200	53
Gain on disposal of property, plant and equipment	12	-
Gain on lease modification	3	6
Government grants	39	43
Sale of scrap	22	22
Net foreign exchange gain	-	130
Others	15	17
	291	271

7 Finance Income and Costs

	Group	
	<u>2024</u>	<u>2023</u>
	S\$'000	S\$'000
Interest income	27	25
Finance income	27	25
Interest expense on:		
- bank loans and overdrafts	(143)	(173)
- non-trade amounts due to a related party	(93)	(114)
- lease liabilities	(55)	(28)
Finance costs	(291)	(315)
Net finance costs	(264)	(290)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

8 Loss before Income Tax

Loss before income tax is arrived after charging/(crediting):

	<u>2024</u> S\$'000	<u>Group</u> <u>2023</u> S\$'000
Amortisation of intangible assets	39	39
Audit fees paid/payable to:		
- auditors of the Company	88	88
- other auditors – network firms	23	32
Non-audit fees paid/payable to:		
- auditors of the Company	-	-
- other auditors – network firms	-	-
(Reversal of)/Expected credit loss on trade receivables	(86)	104
Reversal of allowance for inventory obsolescence	(28)	-
Inventory written off	7	10
Depreciation of property, plant and equipment	444	763
Employee benefits expense	4,204	4,487
Property, plant and equipment written-off	2	5
Raw materials, changes in finished goods and work-in-progress recognised as cost of sales	6,791	7,839
Research and development	10	76
Short-term and low value leases expenses	18	40
<hr/>		
<u>Employee benefits expense</u>		
Directors' fees	165	165
Salaries, bonuses and other costs	3,702	3,982
PRC statutory welfare fund	54	57
Contributions to defined contribution plans	283	283
	<u>4,204</u>	<u>4,487</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9 Income Tax Expense

	Group	
	<u>2024</u> S\$'000	<u>2023</u> S\$'000
Current tax expense		
- Current year	2	52
- Overprovision in respect of prior years	(8)	(31)
	<u>(6)</u>	<u>21</u>
Deferred tax expense		
- Origination and reversal of temporary differences	(14)	33
- Under provision in respect of prior years	49	8
	<u>35</u>	<u>41</u>
Tax expense on operations	<u>29</u>	<u>62</u>
<i>Reconciliation of effective tax rate</i>		
Loss before tax	<u>(153)</u>	<u>(91)</u>
Tax using the Singapore tax rate of 17%	(26)	(15)
Effect of different tax rates in different jurisdictions	20	102
Income not subject to tax	(36)	-
Non-deductible expenses	97	158
Utilisation of deferred tax asset not recognised previously	(71)	(206)
Current year losses for which no deferred tax asset was recognised	4	46
Under/(Over)provision in respect of prior years	<u>41</u>	<u>(23)</u>
	<u>29</u>	<u>62</u>

10 (Loss)/Earnings per Share

The following tables reflect the earnings and share data used in the computation of basic and diluted (loss)/earnings per share:

	Group	
	<u>2024</u> S\$'000	<u>2023</u> S\$'000
(Loss)/Profit for the year attributable to owners of the Company	<u>(151)</u>	<u>214</u>
	Number of shares	
	<u>2024</u> '000	<u>2023</u> '000
Weighted average number of ordinary shares	<u>107,700</u>	<u>107,700</u>
Basic and diluted (loss)/earnings per share (SGD cents)	<u>(0.14)</u>	<u>0.20</u>

Basic (loss)/earnings per share is calculated on the Group's (loss)/profit for the year attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the year.

Diluted (loss)/earnings per share is calculated on the same basis as basic (loss)/earnings per share as there were no dilutive potential ordinary shares as at 31 December 2024 and 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11 Property, Plant and Equipment

Group 2024	Freehold land S\$'000	Freehold and leasehold building S\$'000	Factory equipment S\$'000	Building and factory improvements S\$'000	Plant and machinery S\$'000	Motor vehicles S\$'000	Furniture and fittings S\$'000	Office equipment & computers S\$'000	Total S\$'000
Cost									
At 1 January	1,034	4,263	277	709	2,408	666	92	270	9,719
Additions	-	396	9	75	37	225	5	19	766
Written off	-	-	(3)	-	(19)	(69)	(3)	(2)	(96)
Disposals	-	(137)	-	-	-	(26)	-	(36)	(199)
Derecognition on disposal of subsidiaries	-	-	-	(92)	-	-	-	(30)	(122)
Effects of movements in exchange rates	62	147	16	23	144	23	5	8	428
At 31 December	1,096	4,669	299	715	2,570	819	99	229	10,496
Accumulated depreciation and impairment losses									
At 1 January	-	1,031	241	346	1,611	536	79	174	4,018
Depreciation	-	222	7	44	92	57	2	20	444
Written-off	-	-	(3)	-	(17)	(69)	(3)	(2)	(94)
Disposals	-	(45)	-	-	-	(26)	-	(30)	(101)
Derecognition on disposal of subsidiaries	-	-	-	(91)	-	-	-	(21)	(112)
Effects of movements in exchange rates	-	58	14	12	99	18	5	4	210
At 31 December	-	1,266	259	311	1,785	516	83	145	4,365
Net book value									
As at 31 December	1,096	3,403	40	404	785	303	16	84	6,131

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11 Property, Plant and Equipment (cont'd)

Group (cont'd) 2023

Cost	Freehold land S\$'000	Freehold and leasehold building S\$'000	Factory equipment S\$'000	Building and factory improvements S\$'000	Plant and machinery S\$'000	Motor vehicles S\$'000	Furniture and fittings S\$'000	Office equipment & computers S\$'000	Total S\$'000
At 1 January	1,097	4,827	327	741	3,216	715	110	347	11,380
Additions	-	298	8	-	454	47	2	32	841
Written off	-	-	(36)	(6)	(33)	-	(14)	(57)	(146)
Disposals	-	(109)	(5)	-	-	(23)	-	(37)	(174)
Derecognition on disposal of a subsidiary	-	(585)	-	-	(1,074)	(51)	-	(4)	(1,714)
Effects of movements in exchange rates	(63)	(168)	(17)	(26)	(155)	(22)	(6)	(11)	(468)
At 31 December	1,034	4,263	277	709	2,408	666	92	270	9,719

Accumulated depreciation and impairment losses

At 1 January	-	1,463	283	323	2,486	585	97	251	5,488
Depreciation	-	297	7	43	346	47	2	21	763
Written-off	-	-	(34)	(4)	(33)	-	(14)	(56)	(141)
Disposals	-	(78)	-	-	-	(23)	-	(34)	(135)
Derecognition on disposal of a subsidiary	-	(585)	-	-	(1,074)	(51)	-	(2)	(1,712)
Effects of movements in exchange rates	-	(66)	(15)	(16)	(114)	(22)	(6)	(6)	(245)
At 31 December	-	1,031	241	346	1,611	536	79	174	4,018

Net book value

As at 31 December	1,034	3,232	36	363	797	130	13	96	5,701
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11 Property, Plant and Equipment (cont'd)

Security

As at 31 December 2024, the Group's property, plant and equipment with a total carrying value of S\$4,653,000 (2023: S\$4,457,000), was pledged as collateral for the Group's loans and borrowings (see Note 20).

Right-of-use assets

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 24.

Reconciliation of additions of property, plant and equipment to cash flows arising from investing activities

During the financial year, the Group acquired property, plant and equipment with an aggregate cost amounting to S\$766,000 (2023: S\$841,000) of which S\$130,000 (2023: S\$166,000) was paid in cash, and the remaining addition of S\$636,000 (2023: S\$675,000) was acquired by means of lease liabilities.

12 Intangible Assets

	Development <u>Cost</u> S\$'000	<u>Software</u> S\$'000	<u>Total</u> S\$'000
Group			
<u>Cost</u>			
At 1 January 2023	282	195	477
Written off	(282)	-	(282)
At 31 December 2023	-	195	195
Addition	-	2	2
At 31 December 2024	-	197	197
<u>Accumulated amortisation</u>			
At 1 January 2023	188	105	293
Amortisation	-	39	39
Written off	(188)	-	(188)
At 31 December 2023	-	144	144
Amortisation	-	39	39
At 31 December 2024	-	183	183
<u>Impairment loss</u>			
At 1 January 2023	94	-	94
Written off	(94)	-	(94)
At 31 December 2023 and 2024	-	-	-
<u>Net book value</u>			
At 31 December 2023	-	51	51
At 31 December 2024	-	14	14

Impairment loss

In 2023, the management assessed that there were no indication of cost recovery or future economic benefits associated with the development cost under the South Asia CGU. Accordingly, the Group wrote off the development costs that have been fully impaired in prior years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

13 Subsidiaries

	Company	
	<u>2024</u>	<u>2023</u>
	S\$'000	S\$'000
Unquoted equity shares, at cost	9,300	9,300

(a) Details of the subsidiaries at the end of the financial year are as follows:

Name		Equity Interest	
<u>Country of incorporation</u>	<u>Principal Activities</u>	<u>2024</u>	<u>2023</u>
		%	%
Eindec Holdings Pte. Ltd. ⁽¹⁾ Singapore	Investment holding	100	100
<i>Held through</i> <u>Eindec Holdings Pte. Ltd.</u>			
Eindec Singapore Pte. Ltd. ⁽¹⁾ Singapore	Manufacturers and traders in air-conditioning, air purification and clean room equipment	100	100
Eindec Technology (Malaysia) Sdn. Bhd. ⁽²⁾ Malaysia	Manufacturers and traders in air-conditioning and clean room equipment	100	100
Eindec (Shanghai) Co., Ltd ⁽³⁾ PRC	Clean room equipment and ventilation equipment wholesale, agency, import and export of industrial products, E-commerce trading and related supporting businesses, and trading and distribution of food, agricultural and fishery products.	100	100
Eindec (Shenzhen) Environmental Technology Co., Ltd. ⁽³⁾ PRC (Note 13(b))	Industrial clean room equipment, air purification filter equipment and its parts and components, the transfer of technology of its own research and development, technology consultation, technology services and after-sales service	-	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

13 Subsidiaries (cont'd)

(a) Details of the subsidiaries at the end of the financial year are as follows: (cont'd)

Name		Equity Interest	
<u>Country of incorporation</u>	<u>Principal Activities</u>	<u>2024</u>	<u>2023</u>
		%	%
<i>Held through</i>			
<i>Eindec (Shenzhen) Environmental Technology Co., Ltd.</i>			
Eadehealth Technology Co., Ltd. ^{(4) (5)}	E-commerce trading	-	40
PRC (Note 13(b))			
Eadehealth Smart Home Appliances Co., Ltd. ^{(4) (5)}	E-commerce trading	-	40
PRC (Note 13(b))			
Eadehealth E-Commerce Co., Ltd. ^{(4) (5)}	E-commerce trading	-	40
PRC (Note 13(b))			
Eadehealth Fashion Accessories Co., Ltd ⁽⁴⁾	E-commerce trading	-	69.40
PRC (Note 13(b))			
<i>Held through</i>			
<i>Eindec (Shanghai) Co., Ltd.</i>			
Zanylen (Shanghai) Commerce and Trade Co.,Ltd. ⁽⁴⁾	E-commerce trading	100	100
PRC			

(1) Audited by Moore Stephens LLP, Singapore.

(2) Audited by Moore Stephens Associates PLT, a member firm of Moore Global Network Limited, of which Moore Stephens LLP is a member.

(3) Audited for the purpose of group consolidation by Da Hua Certified Public Accountants, a member firm of Moore Global Network Limited.

(4) Not a significant subsidiary under SGX Listing Rule 717. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

(5) Accounted for as a subsidiary as the Group has the power to control the entity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

13 Subsidiaries (cont'd)

(b) Disposal of subsidiaries in the financial year 2024

On 18 September 2024, the Group disposed its entire 100% equity interest in Eindec (Shenzhen) Environmental Technology Co., Ltd ("Eindec Shenzhen") and its subsidiaries ("Eindec Shenzhen Group") for a cash consideration of RMB5 (equivalent to S\$1) to 深圳荟邦控股有限公司.

Eindec Shenzhen held the following subsidiaries, which have been disposed at the same date:

- Eadehealth Technology Co., Ltd
- Eadehealth Smart Home Appliances Co., Ltd
- Eadehealth E-Commerce Co., Ltd
- Eadehealth Fashion Accessories Co., Ltd

The Group recognised a gain on disposal of S\$200,000 as an income and included in "other income" in the consolidated statement of comprehensive income. Following the disposal, Eindec Shenzhen Group ceased to be subsidiaries of the Group. The following table summarises the carrying amount of major classes of identifiable assets and liabilities disposed:

	S\$'000
Cash and cash equivalents	28
Trade and other receivables	926
Property, plant and equipment	10
Inventories	261
Total assets	1,225
Trade and other payables	(1,491)
Contract liabilities	(24)
Total liabilities	(1,515)
Net liabilities derecognised	(290)
Add: Non-controlling interests	90
Net liabilities disposed of	(200)
Net liabilities disposed of	(200)
Total consideration from disposal	-*
Gain on disposal of subsidiaries	(200)
Cash consideration from disposal	-*
Less: cash and cash equivalents disposal	(28)
Net cash outflow on disposal	(28)

* Less than S\$1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

13 Subsidiaries (cont'd)

(c) Disposal of a subsidiary in the financial year 2023

On 19 December 2023, the Group disposed its 35% equity interest in Henan Yunzhi Security Technology Co., Ltd ("Henan Yunzhi") for a cash consideration of RMB2,760,000 (equivalent to S\$523,000), to a non-controlling shareholder, 郑州达讯门窗有限公司, which holds a 65% equity interest in Henan Yunzhi prior to the aforementioned disposal.

The Group recognised a gain on disposal of S\$53,000 as an income and included in "other income" in the consolidated statement of comprehensive income. Following the disposal, Henan Yunzhi ceased to be a subsidiary of the Group. The following table summarises the carrying amount of major classes of identifiable assets and liabilities disposed:

	S\$'000
Cash and cash equivalents	5
Trade and other receivables	3,764
Property, plant and equipment	2
Inventories	120
Total assets	<u>3,891</u>
Trade and other payables	(2,436)
Contract liabilities	(84)
Loans and borrowings	(42)
Income tax payable	(236)
Total liabilities	<u>(2,798)</u>
Net assets derecognised	1,093
Less: Non-controlling interests	<u>(695)</u>
Net assets disposed of	<u>(398)</u>
Net assets disposed of	(398)
Reclassification of foreign currency translation reserve	(72)
Total consideration from disposal	<u>523</u>
Gain on disposal of a subsidiary	<u>53</u>
Cash consideration from disposal	-
Less: cash and cash equivalents disposal	<u>(5)</u>
Net cash outflow on disposal	<u>(5)</u>

Total cash consideration of S\$523,000 was partially offset by the amount due to 郑州达讯门窗有限公司. The remaining balance of S\$186,000 was included in other receivables as disclosed in Note 15.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

14 Inventories

	Group	
	<u>2024</u> S\$'000	<u>2023</u> S\$'000
Finished goods	651	797
Work-in-progress	183	205
Raw materials	2,150	2,276
	<u>2,984</u>	<u>3,278</u>

During the current year, inventories of S\$6,791,000 (2023: S\$7,839,000) were recognised as an expense and included in "cost of sales".

During the year, the Group carried out a review of the net realisable values of its inventories and wrote off inventory amounting to S\$108,000 (2023: S\$19,000) against allowance for inventory obsolescence provided in prior years. The Group also reversed S\$28,000 (2023: Nil) from allowance for inventory obsolescence following the consumption of raw materials, which has been included in "cost of sales". No inventories write down was recognised (2023: Nil) for the financial year ended 31 December 2024.

15 Trade and Other Receivables

	Group		Company	
	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2024</u> S\$'000	<u>2023</u> S\$'000
Trade receivables				
- third parties	1,956	2,894	-	-
- related party	-	312	-	-
Non-trade amounts due from:				
- related party	3	2	-	-
- subsidiary	-	-	1,112	1,527
Other receivables and deposits	238	524	2	2
	<u>2,197</u>	<u>3,732</u>	<u>1,114</u>	<u>1,529</u>
Tax recoverable	114	45	-	-
Prepayments	187	174	4	11
	<u>2,498</u>	<u>3,951</u>	<u>1,118</u>	<u>1,540</u>

Trade receivables are non-interest bearing and generally due for settlement within 30 to 60 days (2023: 30 to 60 days). Trade and other receivables are considered to be held within a held-to-collect business model consistent with the Group's continuing recognition of the receivables.

Non-trade amounts due from the related party and subsidiaries are unsecured, interest-free, and are repayable on demand.

The Group and the Company's exposure to credit and currency risks, and impairment losses for trade and other receivables are disclosed in Note 26.

16 Cash and Cash Equivalents

	Group		Company	
	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2024</u> S\$'000	<u>2023</u> S\$'000
Cash at bank and on hand	4,630	3,549	164	117
	<u>4,630</u>	<u>3,549</u>	<u>164</u>	<u>117</u>
For the purpose of presenting the statement of cash flows, cash and cash equivalents comprise the following at the end of the financial year:				
Cash and bank balances in the statements of financial position	4,630	3,549	164	117
Bank overdrafts (Note 20)	(708)	(473)	-	-
Cash and cash equivalents in the consolidated statement of cash flows	<u>3,922</u>	<u>3,076</u>	<u>164</u>	<u>117</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

17 Other Investments

	Group	
	<u>2024</u> S\$'000	<u>2023</u> S\$'000
Unquoted debt investments at fair value through profit or loss ("FVTPL")	-	300

Unquoted debt investments at FVTPL have an average variable return of 2.57% (2023: 2.11%) per annum.

The movement in the other investments is as follows:

	<u>2024</u> S\$'000	<u>2023</u> S\$'000
Balance as at 1 January	300	760
Additions	1,134	-
Disposal	(1,434)	(459)
Reclassification from interest receivables	-	22
Effects of foreign exchange	-	(23)
	<u>-</u>	<u>300</u>

18 Share Capital

	Group and Company			
	<u>2024</u>		<u>2023</u>	
	No. of shares	S\$'000	No. of shares	S\$'000
Issued and fully paid:				
At the beginning and				
the end of the financial year	<u>107,700,000</u>	<u>14,917</u>	<u>107,700,000</u>	<u>14,917</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. All shares rank equally with regard to the Company's residual assets.

All issued shares are fully paid, with no par value.

19 Other Reserves

	Group	
	<u>2024</u> S\$'000	<u>2023</u> S\$'000
Merger reserve	(9,138)	(9,138)
Foreign currency translation reserve	(2,104)	(2,589)
Statutory reserve	54	185
	<u>(11,188)</u>	<u>(11,542)</u>

Merger reserve

Merger reserve represents the difference between the consideration paid and the share capital of the subsidiaries acquired by the Company under common control arrangements. The acquisition of the entities by the Company under common control arrangements was carried out as part of the restructuring exercise undertaken by Weiye Holdings Group.

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

19 Other Reserves (cont'd)

Statutory reserve

In accordance with the Foreign Enterprise Law applicable to entities in the PRC, the Company's PRC subsidiaries are required to make an appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the profit after tax as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the PRC entity registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the PRC entity. The SRF is not available for dividend distribution to shareholders.

20 Loans and Borrowings

	Group	
	<u>2024</u>	<u>2023</u>
	S\$'000	S\$'000
<u>Current liabilities</u>		
<i>Secured</i>		
Bank overdrafts	708	473
Bankers' acceptance	1,406	683
Term loan 1	30	27
Term loan 2	43	32
Lease liabilities (Note 24)	210	300
	<u>2,397</u>	<u>1,515</u>
<u>Non-current liabilities</u>		
<i>Secured</i>		
Term loan 1	328	337
Term loan 2	1,051	1,103
Lease liabilities (Note 24)	772	350
	<u>2,151</u>	<u>1,790</u>
Total loans and borrowings	<u>4,548</u>	<u>3,305</u>

As at the end of the financial year, there is no breach of loan covenants.

Terms and debt repayment schedule

Terms and conditions of outstanding bank loans and overdrafts are as follows:

	<u>Currency</u>	<u>Nominal interest rate</u> %	<u>Year of maturity</u>
Group			
Bankers' acceptance	MYR	4.30	2025
Term loan 1	MYR	BLR* - 2.00%	2035
Term loan 2	SGD	BCFR** - 2.25%	2042
Bank overdrafts	MYR	MBLR*** + 0.5%	N.A

* Bank's base lending rate

** Bank's commercial financing rate

*** Malaysia base lending rate

The Group's exposure to interest rate and liquidity risks is disclosed in Note 26.

Bank overdrafts, Bankers' acceptance and term loan 1 of the Group are secured by the property, plant and equipment of a subsidiary (Note 11) and deed of debenture provided by a subsidiary for Malaysian Ringgit ("MYR") 13.30 million.

Term loan 2 is related to the purchase of a subsidiary's commercial property amounting to S\$1,200,000 with a bank. The loan is secured by a first mortgage over the Group's leasehold property (Note 11) and a corporate guarantee by the Company.

The Group's obligations under finance leases are secured by the lessor's title to the leased assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

20 Loans and Borrowings (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities				
	Bank overdrafts S\$'000	Secured bank loans S\$'000	Term loans S\$'000	Lease liabilities S\$'000	Non-trade amount due to related party (Note 22) S\$'000
Group					Total S\$'000
At 1 January 2024	473	683	1,499	650	2,245
Changes from financing cash flows					
Interest paid	(30)	(48)	(65)	(55)	(198)
Principal payment of lease liabilities	-	-	-	(230)	(230)
Repayment of bank loan	-	-	(68)	-	(68)
Proceeds from bank loan	-	658	-	-	658
Total changes from financing cash flows	(30)	610	(133)	(285)	162
The effect of changes in foreign exchange rates	35	65	21	23	144
Liability-related other changes					
Change in bank overdrafts	200	-	-	-	200
Addition of lease liabilities	-	-	-	636	636
Lease termination	-	-	-	(97)	(97)
Interest expense	30	48	65	55	291
Total liability-related other changes	230	48	65	594	1,030
Balance as at 31 December	708	1,406	1,452	982	6,886

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Loans and Borrowings (cont'd)

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

	Liabilities				
	Bank overdrafts S\$'000	Secured bank loans S\$'000	Term loans S\$'000	Lease liabilities S\$'000	Non-trade amount due to related party (Note 22) S\$'000
Group					
2023 (cont'd)					
At 1 January	476	1,495	1,644	614	2,131
Changes from financing cash flows					
Interest paid	(42)	(48)	(83)	(28)	-
Principal payment of lease liabilities	-	-	-	(578)	-
Repayment of bank loan	-	(743)	(80)	-	-
Disposal of a subsidiary	-	-	(42)	-	-
Total changes from financing cash flows	(42)	(791)	(205)	(606)	-
	(27)	(69)	(23)	(25)	(144)
Balance as at 31 December	473	683	1,499	650	2,245
2022					
At 1 January	476	1,495	1,644	614	2,131
Changes from financing cash flows					
Interest paid	(42)	(48)	(83)	(28)	-
Principal payment of lease liabilities	-	-	-	(578)	-
Repayment of bank loan	-	(743)	(80)	-	-
Disposal of a subsidiary	-	-	(42)	-	-
Total changes from financing cash flows	(42)	(791)	(205)	(606)	-
	(27)	(69)	(23)	(25)	(144)
Balance as at 31 December	473	683	1,499	650	2,245

The effect of changes in foreign exchange rates

Liability-related other changes

Change in bank overdrafts

Addition of lease liabilities

Lease termination

Interest expense

Total liability-related other changes

Balance as at 31 December

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

21 Deferred Tax Liabilities

Movements in temporary differences during the year are as follows:

	Property, plant and equipment S\$'000	Group Others S\$'000	Total S\$'000
<u>2024</u>			
At 1 January	255	(68)	187
Recognised in profit or loss (Note 9)	35	-	35
Effect of exchange rate changes	16	(4)	12
At 31 December	306	(72)	234
<u>2023</u>			
At 1 January	232	(77)	155
Recognised in profit or loss (Note 9)	36	5	41
Effect of exchange rate changes	(13)	4	(9)
At 31 December	255	(68)	187

Unrecognised deferred tax liabilities

At 31 December 2024, there was no temporary difference related to investment in subsidiaries recognised because the Group controls the dividend policy of its subsidiaries and is able to veto the payment of dividends of its subsidiaries – i.e. the Group controls the timing of reversal of the related taxable temporary differences and it is satisfied they will not reverse in the foreseeable future.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following item:

	Group <u>2024</u> S\$'000	<u>2023</u> S\$'000
Unutilised tax losses carried forward	78	2,439

The Group's tax losses carried forward comprise of tax losses arising from its operations in Singapore and the PRC. Under the applicable PRC tax legislation, tax losses as at 31 December 2024 and 2023 are expected to expire beyond 5 years.

Deferred tax assets have not been recognised in respect of the tax losses because of the uncertainty over the availability of future taxable profits arising from the relevant Group entities against which the Group can utilise the benefits.

22 Trade and Other Payables

	Group		Company	
	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2024</u> S\$'000	<u>2023</u> S\$'000
Trade payables				
- third parties	833	2,236	-	-
- related party	-	868	-	-
Non-trade amounts due to:				
- related party	2,338	2,245	2,338	2,245
Accrued operating expenses	692	599	109	96
Other payables	280	391	16	8
	4,143	6,339	2,463	2,349

Trade payables are non-interest bearing and generally settled within 30 to 60 days (2023: 30 to 60 days).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

22 Trade and Other Payables (cont'd)

Included in the non-trade amount due to a related party is a loan of S\$1,716,000 (2023: S\$1,716,000) which is interest-bearing, unsecured and is repayable on demand. Interest is charged based on the three-month Singapore Overnight Rate Average ("SORA") per annum. The remaining amount of the non-trade amount due to a related party is unsecured, interest-free and is repayable on demand.

The Group and the Company's exposure to currency and liquidity risk related to trade and other payables are disclosed in Note 26.

23 Related Party Transactions*Key management personnel compensation*

Compensation of Directors and key management personnel:

	Group	
	<u>2024</u>	<u>2023</u>
	S\$'000	S\$'000
Salaries and other short-term benefits (other than fees)	544	568
Post-employment benefits	50	45
Directors' fees	165	165

The remuneration of key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.

Other related party transactions

Other than as disclosed elsewhere in the financial statements, transactions carried out in the normal course of business on terms agreed with related parties are as follows:

	Group	
	<u>2024</u>	<u>2023</u>
	S\$'000	S\$'000
(Income)/Expenses		
<i>Related party</i>		
- Interest expenses paid/payable	93	114
- Shared services income received/receivable	(12)	(12)
<i>Non-controlling shareholder of disposed subsidiary</i>		
- Rental paid/payable	-	458
- Sales	-	1,070

24 Lease Liabilities*Leases – As lessee***(a) Nature of the Group's Leasing Activities**

The Group leases a number of warehouses, office premises, and plant and machinery. The leases typically run for a period of 2 to 9 years. The leases include term extension options for which the Group has the right to exercise. For leases that the Group are expected to exercise that option, lease payments in the extension period have been capitalised in the Group's right-of-use assets and lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

24 Lease Liabilities (cont'd)

Leases – As lessee

(b) Carrying Amount of Right-Of-Use Assets classified within Property, Plant and Equipment

	Group				
	Leasehold building S\$'000	Plant and machinery S\$'000	Motor vehicles S\$'000	Office equipment & computers S\$'000	Total S\$'000
2024					
At 1 January	271	436	44	4	755
Reclassification	-	(43)	-	-	(43)
Additions during the year	396	-	224	13	633
Termination	(92)	-	-	(2)	(94)
Depreciation	(128)	(40)	(41)	(3)	(212)
Effect of exchange rate changes	-	23	5	-	28
At 31 December	447	376	232	12	1,067
2023					
At 1 January	214	360	47	7	628
Additions during the year	298	393	29	-	720
Termination	(31)	-	-	-	(31)
Depreciation	(204)	(298)	(31)	(3)	(536)
Effect of exchange rate changes	(6)	(19)	(1)	-	(26)
At 31 December	271	436	44	4	755

(c) Lease Liabilities

The carrying amounts of lease liabilities (included under Loans and Borrowings) and the movements during the year are described in Note 20.

(d) Amounts recognised in Profit or Loss

	Group	
	2024 S\$'000	2023 S\$'000
Depreciation charged for the year	212	536
Interest expense on lease liabilities	55	28
Expenses relating to short-term and low value leases	18	40

(e) Other Disclosures

	Group	
	2024 S\$'000	2023 S\$'000
Total cash outflow for leases (Note 20)	(285)	(606)

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 align with the Group's business needs. Management exercises significant judgement in determining whether these extensions options are reasonably certain to be exercised.

25 Operating Segments

For management purposes, the Group is organised into business units based on the products and services offered, and has four reportable operating segments as follows:

(i) Clean room equipment

A clean room provides an environment where the humidity, temperature and particles in the air are precisely controlled. Clean room equipment includes fan filter units, air showers, clean booths, pass boxes, clean hand dryers and clean benches, amongst others.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

25 Operating Segments (cont'd)

(ii) Heating ventilation and air-conditioning products

Heating ventilation and air-conditioning products are essentially deflection grilles and air diffusers installed to channel and regulate the airflow into the environment within the building to ensure an even distribution of air within the confined space.

(iii) Air purification integrated solutions

Air purification equipment (also referred to as air cleaners) are electrical devices that remove solid and gaseous pollutants from the air such as formaldehyde and PM2.5 which may pose adverse health risks that include breathing difficulties, asthma and allergies. Through the function of air filters or sterilizing systems built into each air purification equipment, the concentration of dust, contaminants, fine particles and volatile organic compounds in the air are reduced to the benefit of individuals within the immediate vicinity.

Integrated with air purification systems, other solutions such as smart home equipment with integrated security system implementation services, renovation materials, and supply and installation of smart door and window systems have been included in this segment.

(iv) Trading and distribution of agricultural products

Trading and distribution of agricultural products comprises sourcing, procurement, storage, transportation, and sale of a wide range of agricultural products, including grains, fruits, vegetables, livestock feed, and other essential food products.

(v) Others

Others refers to cooling towers which is complementary to the heating ventilation and air-conditioning products in Singapore, and e-commerce trading in China.

The Group's CEO monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment loss before tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment results are used to assess performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Income taxes are managed on a group basis and are not allocated to operating segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

There are no inter-segment sales within the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

25 Operating Segments (cont'd)

	Revenue		Segments results	
	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2024</u> S\$'000	<u>2023</u> S\$'000
Group				
Clean room equipment	2,162	2,332	(295)	(131)
Heating ventilation and air-conditioning products	8,176	9,899	644	1,156
Air purification integrated solutions	279	3,264	(317)	(816)
Trading and distribution of agricultural products	2,206	-	13	-
Others	907	400	(217)	(18)
	<u>13,730</u>	<u>15,895</u>	<u>(172)</u>	<u>191</u>
Unallocated items:				
Other income			385	116
Other operating expenses			(98)	(117)
Finance income			20	18
Finance cost			(288)	(299)
Loss before income tax			<u>(153)</u>	<u>(91)</u>
Income tax expense			(29)	(62)
Loss after income tax			<u>(182)</u>	<u>(153)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

25 Operating Segments (cont'd)

Group Other segment information:	Clean room equipment		Heating ventilation and air-conditioning products		Air purification integrated solutions		Trading		Others		Unallocated		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Cost of sales	1,419	1,535	5,419	6,564	222	2,976	2,192	-	427	335	-	-	9,679	11,410
(Reversal of expected credit loss)/Expected credit loss on trade receivables	-	-	(87)	120	-	-	-	-	-	-	1	(16)	(86)	104
Amortisation of intangible assets	-	-	-	-	-	-	-	-	-	-	39	39	39	39
Depreciation of property, plant and equipment	75	46	325	227	29	488	-	-	15	2	-	-	444	763
Employee benefits expense	786	1,004	1,857	1,610	186	318	-	-	243	281	1,132	1,274	4,204	4,487
E-Commerce trading advertising expenses	-	-	-	-	-	-	-	-	385	157	-	-	385	157
Inventory written off	-	-	7	10	-	-	-	-	-	-	-	-	7	10
Reversal of allowance for inventory obsolescence	-	-	(28)	-	-	-	-	-	-	-	-	-	(28)	-
Capital expenditure	-	-	633	-	-	180	-	-	-	-	133	661	766	841

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

25 Operating Segments (cont'd)

	Group	
	<u>2024</u> S\$'000	<u>2023</u> S\$'000
<u>Segment assets</u>		
Clean room equipment	930	719
Heating ventilation and air-conditioning products	2,058	2,687
Air purification integrated solutions	-	3,494
Others	852	36
Total segment assets	3,840	6,936
Unallocated assets [#]	12,417	9,894
Consolidated total assets	16,257	16,830
<u>Segment liabilities</u>		
Clean room equipment	102	90
Heating ventilation and air-conditioning products	53	106
Air purification integrated solutions	-	2,327
Others	119	12
Total segment liabilities	274	2,535
Unallocated liabilities [*]	8,814	7,387
Consolidated total liabilities	9,088	9,922

[#] *Unallocated assets are mainly related to a portion of the property, plant and equipment, inventories, other receivables and cash and cash equivalents which are utilised by more than one segment of the Group.*

^{*} *Unallocated liabilities are mainly related to the Group's loans and borrowings from external parties, deferred tax liabilities and amount due to the related party which are utilised by more than one segment of the Group.*

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 these assets.

	Revenue		Non-Current Asset	
	<u>2024</u> S\$'000	<u>2023</u> S\$'000	<u>2024</u> S\$'000	<u>2023</u> S\$'000
Singapore	9,270	11,338	2,236	1,946
PRC	3,222	3,390	10	157
Malaysia	335	203	3,899	3,649
Hong Kong	87	-	-	-
Indonesia	128	148	-	-
Philippines	537	674	-	-
India	64	-	-	-
Others	87	142	-	-
	13,730	15,895	6,145	5,752

Major customer

Revenue from three customers of the Group's Singapore segment and PRC segment represented approximately 20% (2023: 24%) of the Group's total revenue.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

26 Financial Instruments

(a) Financial Risk Management and Policies

Overview

The Group has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and debt investments.

The carrying amounts of financial assets represent the Group and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and the Company does not require any collateral in respect of their financial assets.

Impairment losses on financial assets recognised in profit or loss were as follows:

	Group	
	2024 S\$'000	2023 S\$'000
(Reversal of)/Expected credit loss on trade receivables, net	(86)	104

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk associated with the industry and country in which customers operate, as these factors may have an influence on credit risk. Details of concentration of revenue are included in Note 25.

The Group has policies in place to evaluate credit risk when accepting new customers.

The Group's top 3 (2023: 3) customers account for 32% (2023: 42%) of the trade receivables as at 31 December 2024.

The Group does not require collateral in respect of trade receivables. The Group does not have trade receivables for which no loss allowance is recognised because of collateral.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

26 Financial Instruments (cont'd)

(a) Financial Risk Management and Policies (cont'd)

(i) Credit risk (cont'd)

Exposure to credit risk profile

The Group monitors credit risk by the country and industry sector exposures for its trade receivables. The credit risk concentration profile of the Group's trade receivables at the respective reporting dates are as follows:

	Group	
	2024 S\$'000	2023 S\$'000
<u>By country</u>		
Singapore	1,672	1,993
Malaysia	1	-
PRC	283	1,213
	<u>1,956</u>	<u>3,206</u>
<u>By products</u>		
Clean room equipment	250	148
Heating ventilation and air-conditioning products	1,347	1,837
Air purification integrated solutions	-	1,213
Others	359	8
	<u>1,956</u>	<u>3,206</u>

Expected credit loss assessment

The Group applies the "simplified approach" for assessing expected credit loss for trade receivables from customers, which comprise a very large number of small balances. Under the simplified approach, the Group developed a provision matrix using historical credit loss rates adjusted with forward looking information to reflect the effects of the current and future economic conditions.

The following table provides information about the exposure to credit risk and ECLs for current trade receivables customers as at 31 December 2024 and 2023:

	Expected loss rate %	Gross carrying amount \$'000	Impairment loss allowance \$'000	Credit impaired
<u>2024</u>				
Current (not past due)	0.68	1,307	(9)	No
1 – 30 days past due	0.69	418	(3)	No
31 – 60 days past due	0.87	146	(1)	No
61 – 90 days past due	1.37	14	-	No
More than 90 days past due	6.52	89	(5)	No
More than 90 days past due	100	123	(123)	Yes
		<u>2,097</u>	<u>(141)</u>	
<u>2023</u>				
Current (not past due)	0.49	2,380	(12)	No
1 – 30 days past due	0.50	690	(3)	No
31 – 60 days past due	0.66	103	(1)	No
61 – 90 days past due	0.99	20	-	No
More than 90 days past due	3.02	30	(1)	No
More than 90 days past due	100	210	(210)	Yes
		<u>3,433</u>	<u>(227)</u>	

Loss rates are based on actual credit loss experience over the past three years. These rates are adjusted by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

26 Financial Instruments (cont'd)

(a) Financial Risk Management and Policies (cont'd)

(i) Credit risk (cont'd)

Expected credit loss assessment (cont'd)

Scalar factors are based on actual and forecast gross domestic product and are as follows: 0.96 (2023: 0.93).

Movements in allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group	
	<u>Lifetime ECL</u>	
	<u>2024</u>	<u>2023</u>
	S\$'000	S\$'000
Balance as at 1 Jan	227	123
Recognised profit or loss during the year		
Additions – credit impaired	-	122
Additions – not credit impaired	6	11
Reversal of unutilised amounts	(92)	(29)
	(86)	104
Balance as at 31 Dec	141	227

Non-trade amounts due from a subsidiary

The Company held non-trade receivable from a subsidiary of S\$1,112,000 (2023: S\$1,527,000). These balances are amounts extended to the related parties to satisfy short term funding requirements. The Company uses a similar approach for assessment of ECLs for these receivables to those used for trade and other receivables. Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the impairment allowance on these balances is insignificant.

Debt investment at amortised cost

The Group limits its exposure to credit risk on investments held by investing only in liquid debt securities and only with counterparties that have a credit rating of at least Baa3 from Moody's.

Impairment on debt investments is measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group assessed that the risk of impairment allowance on the debt investment at amortised cost is insignificant.

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of S\$4,630,000 and S\$164,000 (2023: S\$3,549,000 and S\$117,000) respectively at 31 December 2024. The cash and cash equivalents are held with bank and financial institution counterparties which are rated Baa2 to Aa1, based on Moody's ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt investments. The amount of the allowance on cash and cash equivalents is negligible.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

26 Financial Instruments (cont'd)

(a) Financial Risk Management and Policies (cont'd)

(i) Credit risk (cont'd)

Corporate guarantee

The maximum exposure to credit risk in the event that the counter party fail to perform its obligation as at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statements of financial position, except as follows:

	Group	
	2024	2023
	S\$'000	S\$'000
Corporate guarantees provided to financial institution on borrowing of subsidiary	1,138	1,194

(ii) 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's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loan facilities. Approximately 52.70% (2023: 45.84%) of the Group's loans and borrowings will mature in less than one year based on the carrying amounts reflected in the statement of financial position as at 31 December 2024.

The following are the contractual maturities of financial liabilities. These amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting arrangements:

	Carrying amount S\$'000	Contractual cash flows S\$'000	Cash flows Within 1 year S\$'000	Between 2 to 5 years S\$'000	More than 5 years S\$'000
Group					
<u>31 December 2024</u>					
Loans and borrowings	4,548	(4,748)	(2,515)	(1,114)	(1,119)
Trade and other payables	4,143	(4,214)	(4,214)	-	-
	8,691	(8,962)	(6,729)	(1,114)	(1,119)
<u>31 December 2023</u>					
Loans and borrowings	3,305	(3,462)	(1,587)	(620)	(1,255)
Trade and other payables	6,339	(6,478)	(6,478)	-	-
	9,644	(9,940)	(8,065)	(620)	(1,255)
Company					
<u>31 December 2024</u>					
Trade and other payables	2,463	(2,534)	(2,534)	-	-
Financial guarantee contract	-	(1,138)	(45)	(179)	(914)
	2,463	(3,672)	(2,579)	(179)	(914)
<u>31 December 2023</u>					
Trade and other payables	2,349	(2,488)	(2,488)	-	-
Financial guarantee contract	-	(1,194)	(34)	(134)	(1,026)
	2,349	(3,682)	(2,522)	(134)	(1,026)

Cash flows included in the maturity analysis of the Group and the Company are not expected to occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

26 Financial Instruments (cont'd)

(a) Financial Risk Management and Policies (cont'd)

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

The Group is exposed to currency risk from its operations and revenue and costs denominated in a currency other than the respective functional currencies of Group entities. The Group's foreign exchange exposures are primarily arising from transactions denominated in the US dollar and Japanese Yen.

The Group monitor their foreign currency exchange risks closely and maintain funds in various currencies to minimise currency exposure due to timing differences between sales and purchases.

Exposure to currency risk

Currency translation risk arises when commercial transactions, recognised assets and liabilities and net investment in foreign operations are denominated in a currency that is not the entity's functional currency.

The Group manages its transactional exposure by adopting a policy of matching, as far as possible, receipts and payments in each individual currency. Where matching is not possible, the Group monitors the exchange rate closely and enters into foreign currency contracts to mitigate the foreign currency risks.

The summary of quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

	Group	
	2024 S\$'000	2023 S\$'000
US dollar		
Trade and other receivables	-	6
Cash and cash equivalents	407	34
Trade and other payables	(22)	67
	<u>385</u>	<u>107</u>
Japanese Yen		
Cash and cash equivalents	107	119
Trade and other payables	(3)	-
	<u>104</u>	<u>119</u>

Sensitivity analysis for foreign currency risk

A 5% strengthening of the US dollar and Japanese Yen against the functional currencies of entities in the Group at the reporting date would have increased profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2023, as indicated below:

	Group	
	2024 S\$'000	2023 S\$'000
US dollar	19	5
Japanese Yen	<u>5</u>	<u>6</u>

A 5% weakening of the US dollar and Japanese Yen against the functional currencies of entities in the Group at the reporting date would have had an equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

26 Financial Instruments (cont'd)

(a) Financial Risk Management and Policies (cont'd)

(iii) Market risk (cont'd)

Interest rate risk

Interest rate 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 interest rates.

The Group's exposure to interest rate risk arises primarily from its floating rate loans and borrowings. The Group's policy is to obtain the most favourable interest rates available.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to the management, was as follows:

	Group	
	<u>2024</u> S\$'000	<u>2023</u> S\$'000
<u>Fixed rate instrument</u>		
Lease liabilities	(982)	(650)
	<u>(982)</u>	<u>(650)</u>
<u>Variable rate instrument</u>		
Other investments	-	300
Bank overdrafts	(708)	(473)
Non-trade amount due to a related party	(1,716)	(1,716)
Term loan	(1,452)	(1,499)
Bankers' acceptance	(1,406)	(683)
	<u>(5,282)</u>	<u>(4,071)</u>

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. This analysis is performed on the same basis for 2023.

	Profit or loss	
	<u>100 bp increase</u> S\$'000	<u>100 bp decrease</u> S\$'000
Group		
<u>31 December 2024</u>		
Variable rate instruments	(53)	53
<u>31 December 2023</u>		
Variable rate instruments	(41)	41

(b) Fair Value

Determination of fair values

Lease liabilities and term loans

The fair values of the non-current lease liabilities and term loans are determined by discounted expected cash flows. The discount rates used are based on the market rate for similar instruments as at the statement of financial position date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

26 Financial Instruments (cont'd)

(b) Fair Value (cont'd)

Determination of fair values (cont'd)

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows:

	Carrying amount				Fair value
	Amortised cost S\$'000	Fair value through profit or loss S\$'000	Other financial liabilities S\$'000	Total S\$'000	Level 2 S\$'000
Group					
<u>31 December 2024</u>					
Trade and other receivables*	2,197	-	-	2,197	
Cash and cash equivalents	4,630	-	-	4,630	
	<u>6,827</u>	<u>-</u>	<u>-</u>	<u>6,827</u>	
Loan and borrowings	-	-	(4,548)	(4,548)	
Trade and other payables	-	-	(4,143)	(4,143)	
	<u>-</u>	<u>-</u>	<u>(8,691)</u>	<u>(8,691)</u>	
<u>31 December 2023</u>					
Trade and other receivables*	3,732	-	-	3,732	
Cash and cash equivalents	3,549	-	-	3,549	
Debt investments	-	300	-	300	300
	<u>7,281</u>	<u>300</u>	<u>-</u>	<u>7,581</u>	
Loan and borrowings	-	-	(3,305)	(3,305)	
Trade and other payables	-	-	(6,339)	(6,339)	
	<u>-</u>	<u>-</u>	<u>(9,644)</u>	<u>(9,644)</u>	

*Excluded tax recoverable and prepayments

	Amortised cost S\$'000	Other financial liabilities S\$'000	Total carrying amount S\$'000
Company			
<u>31 December 2024</u>			
Trade and other receivables*	1,114	-	1,114
Cash and cash equivalents	164	-	164
	<u>1,278</u>	<u>-</u>	<u>1,278</u>
Trade and other payables	-	(2,463)	(2,463)
<u>31 December 2023</u>			
Trade and other receivables*	1,529	-	1,529
Cash and cash equivalents	117	-	117
	<u>1,646</u>	<u>-</u>	<u>1,646</u>
Trade and other payables	-	(2,349)	(2,349)

*Excluded prepayments

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

26 Financial Instruments (cont'd)

(b) Fair Value (cont'd)

Accounting classifications and fair values (cont'd)

No fair value hierarchy information is disclosed for the Group and Company's financial assets and liabilities measured at amortised cost as the carrying amount of these financial assets and liabilities approximate their fair values because of the short period to maturity.

Measurement of fair values

Valuation techniques and significant unobservable inputs

Financial instruments measured at fair value

<u>Type</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between unobservable inputs and fair value measurement</u>
Debt investment	The fair value is determined by using the present value of expected future cash flows, discounted using a market discount rate.	Not applicable	Not applicable

(c) Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2024 and 2023.

The Company's PRC subsidiaries are required by the relevant laws and regulations of the PRC to contribute to and maintain a non-distributable statutory reserve fund for which the utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the subsidiaries for the financial years ended 31 December 2024 and 2023.

The Group monitors capital using net debt to equity ratio, which is net debt divided by total equity attributable to owners of the Company. For this purpose, net debt is defined as total liabilities less cash and cash equivalents.

The Group's net debt to equity ratio at the reporting date was as follows:

	Group	
	<u>2024</u> S\$'000	<u>2023</u> S\$'000
Total liabilities	9,088	9,922
Less: Cash and cash equivalents	(4,630)	(3,549)
Net debt	<u>4,458</u>	<u>6,373</u>
Equity attributable to owners of the Company	<u>7,169</u>	<u>6,966</u>
Adjusted net debt to equity ratio	<u>0.62</u>	<u>0.91</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

27 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)")

Adoption of New and Revised SFRS(I) issued which are effective

On 1 January 2024, the Group has adopted the following new or amended SFRS(I) and SFRS(I) INTs that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INTs. The adoption of these new amendments SFRS(I) and SFRS(I) INTs did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

		Effective for annual financial periods beginning on or after
Amendments to SFRS(I) 1-1	<i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to SFRS(I) 1-1	<i>Non-current Liabilities with Covenant</i>	1 January 2024
Amendments to SFRS(I) 16	<i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7	<i>Disclosures: Supplier Finance Arrangements</i>	1 January 2024

Adoption of New and Revised SFRS(I) issued but not yet effective

At the date of authorisation of these financial statements, the following standards that have been issued but not yet effective and the Group has not decided to early adopt:

		Effective for annual financial periods beginning on or after
SFRS(I) 1-21	<i>Amendments to SFRS(I) 1-21: Lack of Exchangeability</i>	1 January 2025
SFRS(I) 9 and SFRS(I) 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
SFRS(I)s – Volume 11	<i>Annual Improvements to SFRS(I)s – Volume 11</i>	1 January 2026
SFRS(I) 18	<i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
SFRS(I) 19	<i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
SFRS(I) 10 and SFRS(I) 1-28	<i>Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred indefinitely, early application is still permitted

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

This standard will replace SFRS(I)1-1 *Presentation of Financial Statements*. Whilst many of the requirements will remain consistent, the new standard will have impacts on the presentation of the Statement of Profit and Loss and consequential impacts on the Statement of Cash Flows. It will also require the disclosure of the non-SFRS(I) management performance measures and may impact the level of aggregation and disaggregation throughout the primary financial statements and the notes.

An entity is required to apply the amendments to SFRS(I) 1-1 for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted. SFRS(I) 18 requires retrospective application with specific transition provisions.

Other than the above, the Directors do not expect any material impact from the application of these standards.

28 Authorisation of Financial Statements

The financial statements for the financial year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

STATISTICS OF SHAREHOLDINGS

AS AT 10 MARCH 2025

Issued and Fully Paid-up Capital	:	S\$16,818,001
Number of Issued Shares	:	107,700,000
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share (excluding treasury shares and subsidiary holdings)
Number of Treasury Shares	:	Nil
Number of Subsidiary Holdings	:	Nil

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	0	0.00	0	0.00
100 – 1,000	15	4.98	6,400	0.01
1,001 – 10,000	47	15.62	311,900	0.29
10,001 – 1,000,000	231	76.74	29,857,800	27.72
1,000,001 AND ABOVE	8	2.66	77,523,900	71.98
TOTAL	301	100.00	107,700,000	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	HENAN WEIYE HUISHENGHUO SERVICE CO LTD	32,000,000	29.71
2	ZHANG WEI	23,700,000	22.01
3	ZHUANG XIN	16,200,000	15.04
4	OCBC SECURITIES PRIVATE LIMITED	1,222,900	1.14
5	TAN POH GUAN (CHEN BAORYUAN)	1,220,000	1.13
6	SIM POH PING	1,116,200	1.04
7	PHILLIP SECURITIES PTE LTD	1,052,000	0.98
8	LIM TIONG KHENG STEVEN	1,002,800	0.93
9	PECK CHUAN YONG	1,000,000	0.93
10	TEO HUI WEN	960,000	0.89
11	RAFFLES NOMINEES (PTE.) LIMITED	818,000	0.76
12	CHENG CHAI HAP	749,800	0.70
13	SIM PEI HWA	738,000	0.69
14	ONG SWEE WHATT	712,900	0.66
15	YAP PENG HOR	600,000	0.56
16	DBS NOMINEES (PRIVATE) LIMITED	525,700	0.49
17	NG HON PO	500,000	0.46
18	QUEK HAN BOON	492,000	0.46
19	MAYBANK SECURITIES PTE. LTD.	483,000	0.45
20	HENG PHECK THOI	460,000	0.43
TOTAL		85,553,300	79.46

STATISTICS OF SHAREHOLDINGS

AS AT 10 MARCH 2025

SUBSTANTIAL SHAREHOLDERS AS AT 10 MARCH 2025

(As recorded in the Register of Substantial Shareholders)

No.	Name	Direct Interest		Deemed Interest	
		No. of Shares	%	No. of Shares	%
1.	Henan Weiye Huishenghuo Service Co Ltd	32,000,000	29.71	-	-
2.	Ma Zhijun ⁽¹⁾	-	-	32,000,000	29.71
3.	Zhang Wei	23,700,000	22.01	-	-
4.	Zhuang Xin	16,200,000	15.04	-	-

Note:

(1) Mr. Ma Zhijun is deemed to have an interest in the shares of the Company held by Henan Weiye Huishenghuo Service Co Ltd ("**Huishenghuo**") by virtue of his 29.71% shareholding in Huishenghuo by virtue of Section 7 of the Companies Act 1967 of Singapore.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on the information available to the Company as at 10 March 2025, 33.24% of the Company's shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual – Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited which requires 10% of the equity securities (excluding preference shares and convertible equity securities) in a class that is listed to be in the hands of the public.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Eindex Corporation Limited (the "**Company**") will be convened and held at the Function Room, LR Floor, 380 Jalan Besar, ARC 380, Singapore 209000 on Thursday, 24 April 2025 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2024, together with the Independent Auditors' Report thereon.
(Resolution 1)
2. To approve the payment of Directors' fees of S\$165,000 for the financial year ending 31 December 2025, to be paid quarterly in arrears (2024: S\$165,000).
(Resolution 2)
3. (a) To re-elect Mr. Ong Kian Guan, a Director of the Company who is retiring pursuant to Regulation 99 of the Constitution of the Company, and who, being eligible, has offered himself for re-election, as a Director of the Company.
[See Explanatory Note (i)] **(Resolution 3)**
- (b) To note the retirement of Mr. Jeffrey Ong Shen Chieh, a Director of the Company who is retiring pursuant to Regulation 99 of the Constitution of the Company, and would not be seeking for re-election.
[See Explanatory Note (ii)]
4. To re-appoint Messrs Moore Stephens LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.
(Resolution 4)
5. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without any modifications, to pass the following resolutions as Ordinary Resolutions:

6. Authority to allot and issue shares

That pursuant to Section 161 of the Companies Act 1967 of Singapore ("**Companies Act**") and Rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst ("**Catalist Rules**"), the Directors of the Company be authorised and empowered to:

- (a) (i) allot and issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

("Share Issue Mandate")

NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and Instruments to be issued other than on a *pro rata* basis to existing shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued Shares and Instruments shall be based on the number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities outstanding at the time of passing of this Ordinary Resolution;
 - (b) (where applicable) new Shares arising from exercising share options or vesting of share awards, provided that such share awards or share options (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares,and provided also that adjustments in accordance with sub-paragraph (2)(a) or sub-paragraph (2)(b) above are only to be made in respect of new Shares arising from the conversion or exercise of the Instruments or any convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and the Constitution of the Company for the time being in force; and
- (4) unless revoked or varied by the Company in a general meeting, such authority conferred by this Resolution shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such Shares in accordance with the terms of the Instruments.

[See Explanatory Note (iii)]

(Resolution 5)

By Order of the Board

Shirley Tan Sey Liy
Company Secretary
Singapore, 9 April 2025

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) Resolution 3

Mr. Ong Kian Guan will, upon re-election as a Director of the Company, remains as the Lead Independent Director, the Chairman of the Audit Committee and a member of the Nominating Committee and the Remuneration Committee of the Company. There are no relationships (including family relationships) between Mr. Ong Kian Guan and the other Directors of the Company, the Company, its related corporations, its officers or its substantial shareholders, which may affect his independence. The Board considers Mr. Ong Kian Guan to be independent for the purposes of Rule 704(7) of the Catalist Rules. Further detailed information (including information as required pursuant to Rule 720(5) of the Catalist Rules) of Mr. Ong Kian Guan can be found in the sections entitled "Board of Directors", "Corporate Governance Report" and "Directors' Statement" of the Annual Report 2024.

(ii) Mr. Jeffrey Ong Shen Chieh, who has served as a Director of the Company for an aggregate period of nine (9) years, has decided to retire at the conclusion of the AGM and will not be seeking for re-election. Mr. Jeffrey Ong Shen Chieh will, upon his retirement as a Director of the Company, cease to be the Chairman of the Nominating Committee, and a member of the Audit Committee and the Remuneration Committee at the conclusion of the AGM.

(iii) Resolution 5

Ordinary Resolution 5, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant instruments convertible into Shares and to issue Shares pursuant to such instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a *pro rata* basis to existing shareholders of the Company.

For determining the aggregate number of Shares that may be issued, the percentage of issued Shares in the capital of the Company and Instruments will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed after adjusting for new Shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards which were issued and outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of Shares.

Notes relating to conduct of meeting:

No Virtual Attendance

- Shareholders of the Company ("Shareholders" or "members") are invited to **attend physically only** at the AGM to be held at the Function Room, LR Floor, 380 Jalan Besar, ARC 380, Singapore 209000 on Thursday, 24 April 2025 at 10.00 a.m. **There will be no option for Shareholders to participate virtually.**

Please bring along your NRIC/Passport so as to enable the Company to verify your identity. Shareholders are requested to arrive early to facilitate the registration process.

Voting at the AGM and voting by proxy

- Shareholders may cast their votes for each resolution at the AGM or appoint proxy or proxies to vote on their behalf at the AGM. Shareholders can also appoint the Chairman of the AGM as his/her/its proxy. A proxy need not to be a member of the Company.
- In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instructions as to voting are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.
- If a Shareholder wishes to appoint the Chairman of the AGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the AGM as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
- The proxy form for the AGM, must be submitted to the Company in either of the following manner:
 - if submitted by post or personally, be lodged with the Company's registered office at 10 Bukit Batok Crescent, #06-05 The Spire, Singapore 658079; or
 - if submitted electronically, be submitted via email to the Company's registered email at management@eindec.com.sg,

in either case, **by 10.00 a.m. on 21 April 2025 (being not less than seventy-two (72) hours before the time appointed for holding the AGM)** (or at any adjournment thereof) and in default the instrument of proxy or proxies shall not be treated as valid.

- A Shareholder who wishes to submit the proxy form must complete and sign the proxy form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above. The completion and return of a proxy form by a Shareholder does not preclude him/her/it from attending and voting in person at the AGM should he/she/it subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.

NOTICE OF ANNUAL GENERAL MEETING

7. The Company shall be entitled to reject the 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 the instrument appointing a proxy or proxies (including any related attachment or supporting documents) (such as in the case where the appointor submits more than one instrument appointing a proxy or proxies).
8. The proxy form must be executed under the hand of the appointor or attorney duly authorised in writing. Where such proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where a proxy form is executed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must be lodged with the proxy form, failing which the proxy form may be treated as invalid.
9. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with its Constitution and Section 179 of the Companies Act, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
10. A Shareholder who is not a Relevant Intermediary (as defined below) is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such Shareholder's proxy form appoints more than one (1) proxy, the proportion of his/her/its shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this proxy form as invalid.
11. A Shareholder who is a Relevant Intermediary (as defined below) is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder. Where such Shareholder's Proxy Form appoints more than two (2) proxies, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.
12. The following documents, together with this Notice of AGM, will be available to Shareholders on **9 April 2025** by electronic means via publication on the SGXNet at <https://www.sgx.com/securities/company-announcements> and the Company's corporate website at <http://www.eindec.com.sg/ir.html>:
 - (a) annual report for the financial year ended 31 December 2024 ("**Annual Report**");
 - (b) proxy form in relation to the AGM; and
 - (c) form to request for a printed copy of the Annual Report ("**Request Form**").
13. In line with the Company's sustainability strategy, the Company will not be despatching printed copies of the Annual Report to Shareholders. Printed copies of this Notice of AGM, the proxy form and the Request Form will be despatched to Shareholders at their respective registered address appearing in the Register of Members or (as the case may be) the Depository Register.
14. If you wish to receive a printed copy of the Annual Report, please complete and return the Request Form via email to management@eindec.com.sg or mail the completed Request Form to 10 Bukit Batok Crescent, #06-05 The Spire, Singapore 658079 by no later than 17 April 2025.

Shareholders' Questions and Answers

15. Shareholders and duly appointed proxy or proxies will be able to ask questions relating to the resolutions to be tabled for approval at the AGM. The Company will endeavor to respond to and address substantial and relevant questions as far as reasonably practicable during the AGM. Where there are substantially similar questions, the Company will consolidate such questions and consequently not all questions may be individually addressed.
16. Alternatively, Shareholders can submit their questions in advance relating to the resolutions to be tabled for approval at the AGM **no later than 10.00 a.m. on 17 April 2025**:
 - (a) if submitted by post, to be deposited at the registered office of the Company at 10 Bukit Batok Crescent, #06-05 The Spire, Singapore 658079; or
 - (b) if submitted by way of electronic means, to be submitted via email to the Company, at management@eindec.com.sg.

Shareholders who submit questions in advance of the AGM should identify themselves by stating his/her/its full name as it appears on his/her/its Central Depository (Pte) Limited ("**CDP**")/Central Provident Fund ("**CPF**")/Supplementary Retirement Scheme ("**SRS**") share records, contact number and NRIC/Passport/UEN number and state the manner in which he/she/it holds his/her/its Shares in the Company (e.g. via CDP, CPF, SRS and/or physical scrip) for verification purposes.

17. Shareholders are encouraged to submit their questions via one of the foregoing means as soon as possible so that they may have the benefit of the answers to their questions (where substantial and relevant to the agenda of the AGM) prior to submitting their proxy forms. The Company will endeavour to address all substantial and relevant questions from Shareholders submitted by the cut-off date and time by publishing the responses to such questions on the SGXNet and the Company's website at <http://www.eindec.com.sg/ir.html> by 18 April 2025 after trading hours. The Company will also address any subsequent clarifications sought or follow-up questions at the AGM in respect of such substantial and relevant questions. The responses provided at the AGM shall thereafter be published on the SGXNet and the Company's corporate website at <http://www.eindec.com.sg/ir.html>, together with the minutes of the AGM, within one (1) month after the conclusion of the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently, not all questions may be individually addressed.

NOTICE OF ANNUAL GENERAL MEETING

CPF and SRS investors

18. Persons who hold Shares through Relevant Intermediaries (as defined below), including CPF and SRS investors, and who wish to participate in the AGM by: (a) submitting questions in advance of the AGM in the manner provided above; and/or (b) voting at the AGM if they are appointed as proxies by their respective CPF Agent Banks and SRS Operators or appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, should contact the Relevant Intermediary (which would include, in the case of CPF and SRS investors, their respective CPF Agent Banks and SRS Operators) through which they hold such Shares as soon as possible in order to facilitate the necessary arrangements for them to participate in the AGM.
19. CPF and SRS Investors may attend and vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies. CPF and SRS investors who wish to appoint the Chairman of the AGM as their proxy, should approach their respective CPF Agent Banks and SRS Operators to submit their votes at least **seven (7) working days** before the AGM (i.e. by 5.00 p.m. on 14 April 2025).
20. A "Relevant Intermediary" is:
 - (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Shares in that capacity; or
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds Shares in that capacity; or
 - (c) the CPF established by the Central Provident Fund Act 1953 of Singapore, in respect of Shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the Board holds those Shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy:

By (a) submitting details for the registration to observe the proceedings of the AGM via the Live Webcast/Live Audio Feed, or (b) submitting the Proxy Form appointing the proxy(ies), speak and vote at the AGM and/or any adjournment thereof, or (c) submitting any question prior to the AGM in accordance with this notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of the appointment of the proxy(ies) for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the AGM and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities; and
- (v) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared for the AGM. Accordingly, the member's personal data and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes and retained for such period as may be necessary for the Company's verification and record purposes.

This notice has been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd..

This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made, or reports contained in this notice.

The contact person for the Sponsor is Ms. Lim Hui Zheng, ZICO Capital Pte. Ltd., at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

EINDEC CORPORATION LIMITED
(Company Registration No. 201508913H)
(Incorporated in the Republic of Singapore)

**ANNUAL GENERAL MEETING
PROXY FORM**

IMPORTANT:

1. The Annual General Meeting of the Company to be held on Thursday, 24 April 2025 at 10.00 a.m. is being convened, and will be held at the Function Room, LR Floor, 380 Jalan Besar, ARC 380, Singapore 209000 (the "AGM"). There will be no option for members to participate virtually.
2. An investor who holds shares under the Supplementary Retirement Scheme ("SRS Investors") may attend, speak and cast his vote(s) at the AGM in person. SRS Investors who wish to appoint the Chairman of the AGM as proxy should inform their respective SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by 5.00 p.m. on 14 April 2025).
3. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. Please see notes overleaf before completing this Proxy Form.

*I/We, _____ (Full Name) _____ (NRIC no./Passport No./Company No.)
of _____ (Full Address)
being a *member/members of **EINDEC CORPORATION LIMITED** (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 the person, or either or both of the persons referred to above, the Chairman of the Annual General Meeting as *my/our *proxy/proxies to attend, speak or vote for *me/us on *my/our behalf at the AGM of the Company to be held at the Function Room, LR Floor, 380 Jalan Besar, ARC 380, Singapore 209000 on Thursday, 24 April 2025 at 10.00 a.m. and at any adjournment thereof.

*I/We have directed *my/our *proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as proxy of that resolution will be treated as invalid.**

(If you wish to exercise all your votes "For", "Against" or to "Abstain" from voting, please indicate with a tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.)

No.	Ordinary Resolutions relating to:	For	Against	Abstain
ORDINARY BUSINESS				
1	Adoption of the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2024, together with the Independent Auditor's Report thereon			
2	Approval of the payment of Directors' fees of S\$165,000 for the financial year ending 31 December 2025, to be paid quarterly in arrears			
3	Re-election of Mr. Ong Kian Guan as a Director of the Company			
4	Re-appointment of Messrs Moore Stephens LLP as Auditors of the Company and authority to Directors of the Company to fix their remuneration			
SPECIAL BUSINESS				
5	Authority to allot and issue shares in the capital of the Company			

Note: Please note that the short descriptions given above of the resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of AGM for the full purpose and intent of the resolutions to be passed.

Dated this _____ day of _____ 2025

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)
*and/or Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

*Delete where inapplicable



Notes:

1. Please insert the total number of shares in the capital of the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered in your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member who is not a Relevant Intermediary* is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her/its stead at the AGM of the Company. Where a member appoints more than one (1) proxy, he/she/it shall specify the proportion of his/her/its shareholding to be represented by each proxy in the form of proxy. A proxy need not be a member of the Company.
3. Where a member who is not a Relevant Intermediary* appoints two (2) proxies, the appointments shall be invalid unless he/she/it specifies the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy in the instrument appointing the proxies.
4. A member who is a Relevant Intermediary* may appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by him/her/it (which number and class of Shares shall be specified).

*A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. A member can appoint the Chairman of the AGM as his/her/its proxy but this is not mandatory. The Chairman of the AGM, as proxy, need not be a member of the Company.
- If a member wishes to appoint the Chairman of the AGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the AGM as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
6. The instrument appointing a proxy or proxies or the Chairman of the AGM as proxy must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies or the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies or the Chairman of the AGM as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
 7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.
 8. Completion and return of the Proxy Form by a member will not prevent him/her from attending, speaking, and voting at the AGM if he/she so wishes. The appointment of the proxy or proxies for the AGM will be deemed to be revoked.
 9. An investor who holds Shares under the Supplementary Retirement Scheme ("**SRS Investors**") and wishes to appoint the Chairman of the AGM as proxy should approach their respective SRS Operators to submit their votes by 5.00 p.m. on 14 April 2025 (being seven (7) working days before the AGM) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf no later than 10.00 a.m. on 21 April 2025 ("**Proxy Deadline**").

10. The instrument appointing a proxy or proxies, duly executed, must be submitted to the Company in the following manner:

- (a) if submitted by post or personally, be lodged with the Company's registered address at 10 Bukit Batok Crescent, #06-05 The Spire, Singapore 658079; or
- (b) if submitted electronically, be submitted via email to the Company's registered email at management@eindec.com.sg,

in either case, **by the Proxy Deadline (being not less than seventy-two (72) hours before the time appointed for holding the AGM)** (or at any adjournment thereof) and in default the instrument of proxy or proxies shall not be treated as valid.

11. The Company shall be entitled to reject the instrument appointing a proxy or proxies 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 the instrument appointing a proxy or proxies (including any related attachment or supporting documents). In addition, in the case of a member whose Shares are entered against his/her/its name in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this proxy form, the member accepts and agrees to the personal data privacy terms as set out in the Notice of AGM dated 9 April 2025.

EINDECKYODO

—— 英德集团 ——

EINDEC CORPORATION LIMITED

(Company Registration No.: 201508913H)

(Incorporated in the Republic of Singapore on 2 April 2015)

10 Bukit Batok Crescent | The Spire | #06-05 | Singapore 658079

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