



MICRO-MECHANICS®



2026

ANNUAL REPORT

FINANCIAL YEAR

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CORPORATE PROFILE



Micro-Mechanics designs and manufactures precision tools and parts used in process-critical applications for the semiconductor and other high-technology industries. As a *Next Generation Supplier*, the Company aims to solve difficult technical problems through deep collaboration, state-of-the-art technology, operational excellence and continuous innovation. The Group currently operates two business segments: Consumable Tools designed and engineered to address complex processing challenges in semiconductor packaging and Build-to-Print Precision Components used by makers of equipment for Wafer Fabrication and other high-tech industries.

A key component of the Group's growth strategy is its *Five-Star Factory* initiative which focuses on pursuing excellence in every aspect of the Company's operations, from how it works with customers to the way it develops processes that are repeatable, cost-effective and sustainable.

The Group's focus on long-term shareholder returns has been equally supported by its financial discipline and commitment to good governance. Since becoming a public company, Micro-Mechanics has received 40 awards in recognition of its high standards of corporate governance, quality of disclosure, transparency and investor relations. The Group was also recognised in the Forbes Asia Best Under a Billion List in 2006 and 2022.

Founded in 1983 and listed on the SGX Mainboard (SGX:5DD) in 2003, the Group has become a trusted partner to more than 600 customers worldwide, providing fast, effective and localised support across its five operating facilities in Singapore, Malaysia, China, the Philippines and the United States of America.

MISSION STATEMENT



Our mission is to provide our customers with *Perfect Parts and Tools, On Time, Every Time*, based on scalable, repeatable, cost-effective and data-driven processes.

Established in Singapore
in 1983

Listed on SGX Mainboard
in 2003

Launched *Five-Star
Factory* initiative
in 2023

Launched mid-term
growth strategy
in 2026

EXECUTIVE CHAIRMAN'S STATEMENT



“ The engineering and manufacturing capabilities we have built and strengthened over the years are more relevant than ever. ”

Christopher Reid Borch
Founder and Executive Chairman

EXECUTIVE CHAIRMAN'S STATEMENT

Dear shareholders,

FY2026 was an exciting year of growth and transformation for the semiconductor industry. As our customers develop more complex chip-manufacturing processes to enable a host of technologies, from cloud computing to AI and driverless cars, the engineering and manufacturing capabilities we have built and strengthened over the years are more relevant than ever.

Indeed, our customers need suppliers that are working to control variation and our aim, to deliver *Perfect Parts and Tools, On Time, Every Time*, serves as a constant reminder of our purpose and the value we bring to customers. Central to this mission is our *Five-Star Factory* initiative, which is to pursue and achieve excellence in how we work with customers, engineer processes and operate in ways that are predictable, cost-effective and sustainable. A relentless focus on these efforts contributed to our strong performance during the year, with net profit increasing 28.3% to S\$15.9 million on revenue growth of 15.8% to S\$75.5 million. In keeping with our long-held practice, we ended the year with no bank borrowings, a lean inventory position, on-time collections and cash balances of S\$30.1 million.

Underscoring our commitment to good governance and a focus on shareholder returns, the Board of Directors has proposed a one-tier tax exempt final dividend of 3 Singapore cents per ordinary share, bringing total dividends for FY2026 to 6 Singapore cents per ordinary share. In addition, we were once again highly ranked in the 2026 Singapore Governance and Transparency Index placing 32nd out of 452 companies on the Singapore Exchange. This recognition further encourages us to pursue the highest standards of integrity, performance and compliance by everyone from the shop floor to the board room.

As we enter FY2027, we are excited to kick off a new five-year plan that includes a goal to double the Group's revenue while maintaining our focus on profitability, operational excellence and the high value we place on our people. In the section that follows titled *In Conversation with Our CEO*, Kyle Borch provides a closer look at our plans.

With the semiconductor industry poised for more growth, the future of our company is bright. I would like to thank our employees for their dedication, our customers and business partners for their trust, and our shareholders and fellow Board members for their continued support. Our progress would not have been possible without this shared effort. Indeed, as we are fond of saying: *People Make Everything Happen*.



IN CONVERSATION WITH OUR CEO



“

Executing our mid-term plan and continuing to build *Five-Star Factory* will remain our top priorities.

”

Kyle C. Borch
Chief Executive Officer

Q: FY2026 was your first year as CEO. How would you assess Micro-Mechanics' performance and progress during the year?

FY2026 was a great year of growth and progress for Micro-Mechanics. Our revenue grew 15.8% to S\$75.5 million and net profit increased 28.3% to S\$15.9 million, while gross profit margins reached a 17-quarter high of 52.0% for 4QFY2026, and 51.6% for the full year.

We also made great progress on our *Five-Star Factory* initiative. We continued to work with customers on new products for process-critical applications, improve our everyday operations from engineering and manufacturing to finance and IT, and invest in next-generation capabilities.

During FY2026, we generated S\$18.9 million in net operating cash flow, which allowed us to invest S\$3.8 million in new equipment, technology, and manufacturing capabilities, up from S\$1.2 million in FY2025. We ended the year with S\$30.1 million in cash and no bank borrowings which gives us a solid footing for the next phase in our *Journey to Excellence*.

Q: The *Five-Star Factory* initiative has been a major focus for Micro-Mechanics. How has it improved the day-to-day business operations?

Five-Star Factory is a key driver in our ability to deliver *Perfect Parts and Tools, On Time, Every Time*. It builds excellence in how we understand and solve customer problems, develop accurate and scalable precision-machining, and build a culture of continuous improvement and innovation.

IN CONVERSATION WITH OUR CEO

In FY2026, we began studying how to better support customers in key semiconductor hubs like Taiwan and Arizona. We developed new materials for advanced packaging applications, purchased new equipment to improve machining quality and efficiency for our build-to-print business, and began implementing new programming technologies that can improve cycle times by 10-30%. We launched a cybersecurity initiative to accelerate cloud adoption and strengthen security protocols. We introduced a Performance Share Plan to recognise outstanding contributors and strengthen our ownership culture. And, for the first time under our 8S programme, which focuses on achieving and sustaining workplace organisation, efficiency, cleanliness and safety, every facility scored the highest mark of *Five Stars* in 4QFY2026.

From a people perspective, *Five-Star Factory* has become a unifying force across our five factories, creating more opportunities for employees around the world to learn, share ideas, and solve problems together.

Q: Micro-Mechanics is launching a five-year growth strategy from FY2027. Why is now the right time to step up investments?

We are in a great industry at the right time. We see strong industry demand at a time when front-end and back-end requirements are converging. Advanced packaging requires many of the same levels of precision, cleanliness and process control traditionally associated with wafer fabrication. With our experience in both areas and our global presence, we are well-positioned to support customers in this exciting transformation.

With a strong team, deep customer relationships, established products and a reputation for quality, five world-class factories, technical know-how, and a strong balance sheet, we are ready for the next phase of growth.

In FY2027, we expect to invest S\$12.0 million to support the five-year plan by expanding operations in markets where our customers are growing, and by investing in next-generation processes and smarter manufacturing.

Q: You have set a target to double revenue by FY2031. What are your plans to support this growth?

We are focusing primarily on three areas.

First, our localised and decentralised structure has always helped us respond quickly, so we are doubling down on that, especially as customers prioritise their own localised supply chains. We will expand operations in China and Malaysia where customers and the industry continue to grow, and we will expand our physical presence and local support in Taiwan where we have not had a factory.

Second, we will invest in next-generation equipment and processes to further provide fast, flawless, and scalable manufacturing.

Finally, we will expand the use of data-driven decision-making to improve operational effectiveness and support innovation, and strengthen our cybersecurity capabilities that reinforce our position as a trusted supplier.

In addition to doubling revenue, we have set targets to maintain gross profit margin above 50% and overhead costs below 20% of revenue. This allows us to sustain investment in people, process development, and technology, while staying agile in a dynamic environment.

Q: Looking ahead to FY2027, what are your main priorities?

As we begin FY2027, we continue to see incredible demand across our key markets. At the same time, we are mindful of uncertainties related to geopolitics, supply chain dynamics, and rising costs. While the future is inherently uncertain, working to make the business as valuable as possible for our customers and our employees is certainly the right long-term focus. Executing our mid-term plan and continuing to build *Five-Star Factory* will remain our top priorities. The future of Micro-Mechanics is bright, and we are excited to continue our *Journey to Excellence*!

OUR BUSINESS



CONSUMABLE TOOLS

Design and manufacture of consumable tools that reduce defects and improve yields in advanced semiconductor packaging, assembly and testing processes

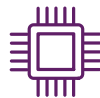
WHO WE SERVE

Die attach

Wire bonding

Advanced packaging and custom tooling

Lead time: 2-4 weeks



BUILD-TO-PRINT PRECISION COMPONENTS*

New segment reporting starting in FY2027

Manufacturing of precision components for critical production processes in the wafer-fabrication equipment (WFE) and other high-tech industries

Lithography

Deposition

Etch

CMP

ION implantation

Thermal, clean, wafer handling

Lead time: 2-4 months

Over 600 customers across front and back-end segments

Equipment makers

Integrated device manufacturers

Outsourced assembly and test (OSATs)

Supporting the development of a wide range of applications, including

- Smartphone
- Consumer electronics
- Wired and wireless infrastructure
- Server, datacentre, storage
- Automotive
- Industrial



Consumable Tools



Build-to-Print Precision Components

AT THE HEART OF THE SEMICONDUCTOR INDUSTRY



California, USA

Build-to-Print Precision Components

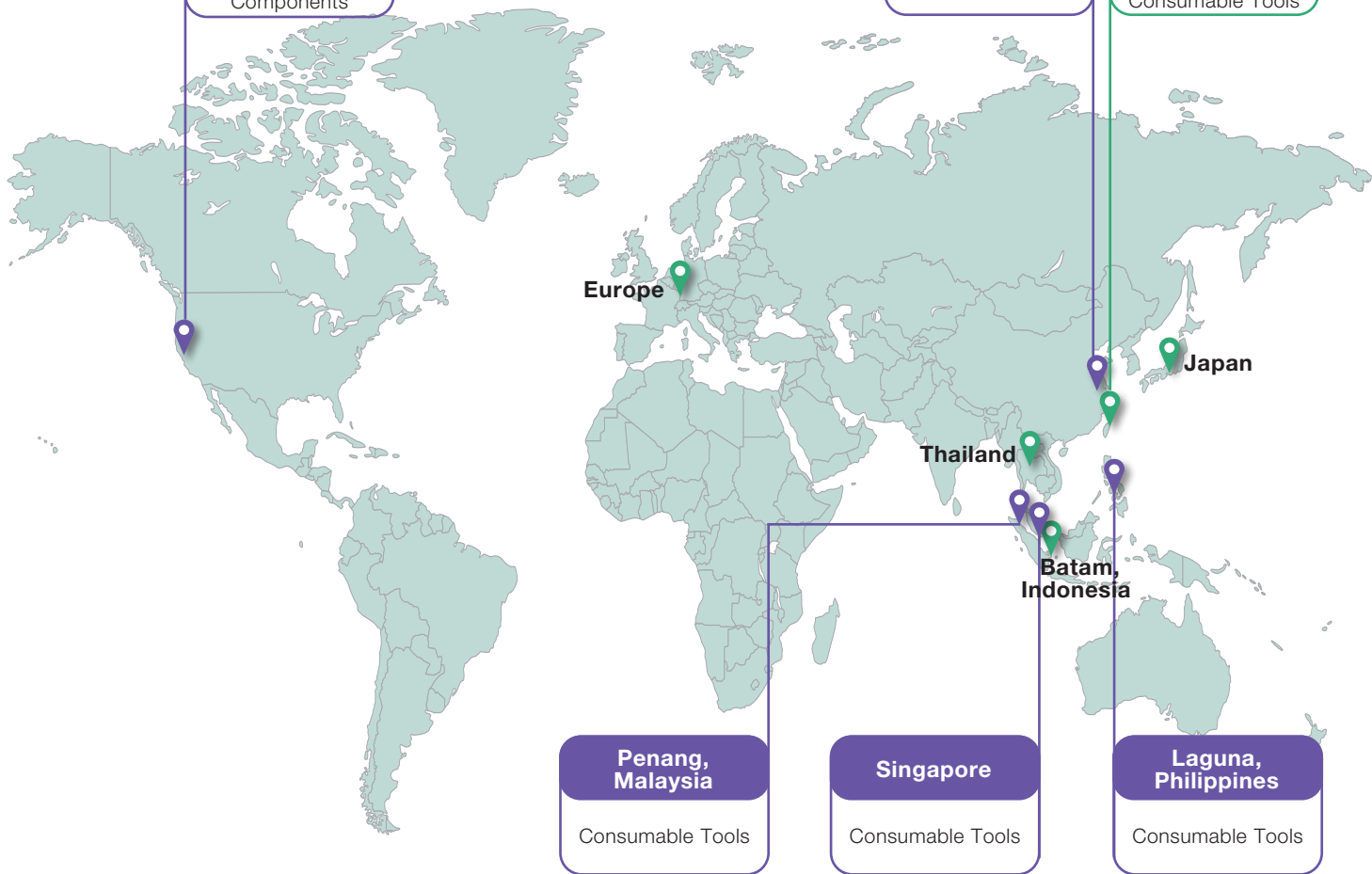


Suzhou, China

Consumable Tools

Taiwan

Increasing local support for Consumable Tools



Factory & office



Distributor / Agent



FIVE-STAR FACTORY INITIATIVE

The Group's *Five-Star Factory* initiative builds excellence in areas fundamental to business performance. These include:



AWARDS AND ACCOLADES

Since becoming a public company in 2003, Micro-Mechanics has received consistent recognition for our corporate governance, transparency and investor relations practices. As a testament to our sound governance practices, the Group ranked 32nd out of 452 companies on the Singapore Exchange in the latest *Singapore Governance and Transparency Index* (SGTI) published on 5 August 2026. For more information on the Group's Investor Relations policy, please refer to the Corporate Governance section of this Annual Report.

Micro-Mechanics has also won several awards for our efforts to improve the efficiency and productivity of our operations. In addition, the Group has been recognised twice by Forbes as one of the 200 top-performing public companies with less than US\$1 billion in yearly sales in the Asia-Pacific region.

Singapore Corporate Awards

2026	Silver Award — Best Risk Management <i>(for companies with market capitalisation of less than S\$300 million)</i>
2025	Gold Award – Best Investor Relations <i>(for companies with market capitalisation of less than S\$300 million)</i>
2024	Silver Award – Best Managed Board <i>(for companies with market capitalisation of less than S\$300 million)</i>
2023	Bronze Award – Best Managed Board <i>(for companies with market capitalisation of S\$300 million to less than S\$1 billion)</i>
2022	Gold Award – Best Investor Relations <i>(for companies with market capitalisation of S\$300 million to less than S\$1 billion)</i>
2021	Corporate Excellence and Resilience Award
2018	Best CEO Award
2017	- Gold Award – Best Managed Board - Gold Award – Best Investor Relations
2016	Silver Award – Best Managed Board
2015	- Silver Award – Best Managed Board - Silver Award – Best Investor Relations
2014	Silver Award – Best Investor Relations
2013	Silver Award – Best Investor Relations
2012	- Gold Award – Best Managed Board - Silver Award – Best Investor Relations
2011	Silver Award – Best Investor Relations
2010	Bronze Award – Best Investor Relations
2008	Chief Financial Officer of the Year (Sesdaq)

(For the category of companies with market capitalisation of less than S\$300 million)

AWARDS AND ACCOLADES

Investors' Choice Awards – Securities Investors Association (Singapore)

2025	• Shareholder Communications Excellence Award (Small Cap)
2023	• Most Transparent Company (Technology) • Shareholder Communications Excellence Award (Small Cap)
2022	• Shareholder Communications Excellence Award (Mid Cap)
2021	• Singapore Corporate Governance Award (Mid Cap)
2019	• Singapore Corporate Governance Award (Small Cap) • Shareholder Communications Excellence Award (Small Cap)
2018	• Singapore Corporate Governance Award (Small Cap) • Shareholder Communications Excellence Award (Small Cap)
2017	• Singapore Corporate Governance Award (Small Cap) • Singapore Corporate Governance Award (Information Technology) • Shareholder Communications Excellence Award (Small Cap)
2016	• Singapore Corporate Governance Award (Mid and Small Cap) • Most Transparent Company (Information Technology)
2015	• Most Transparent Company (Mainboard Small Caps)
2011	• Most Transparent Company (Mainboard Small Caps)
2010	• Most Transparent Company (Mainboard Small Caps)
2009	• Most Transparent Company (Mainboard Small Caps)
2008	• Most Transparent Company (Mainboard Small Caps)
2006	• Corporate Governance Award (Sesdaq)
2005	• Most Transparent Company (Sesdaq)

AWARDS AND ACCOLADES

Forbes

- | | |
|-------------|----------------------------------|
| 2022 | • Asia Best Under A Billion List |
| 2006 | • Asia Best Under A Billion List |

The Edge Singapore Billion Dollar Club (Centurion Category)

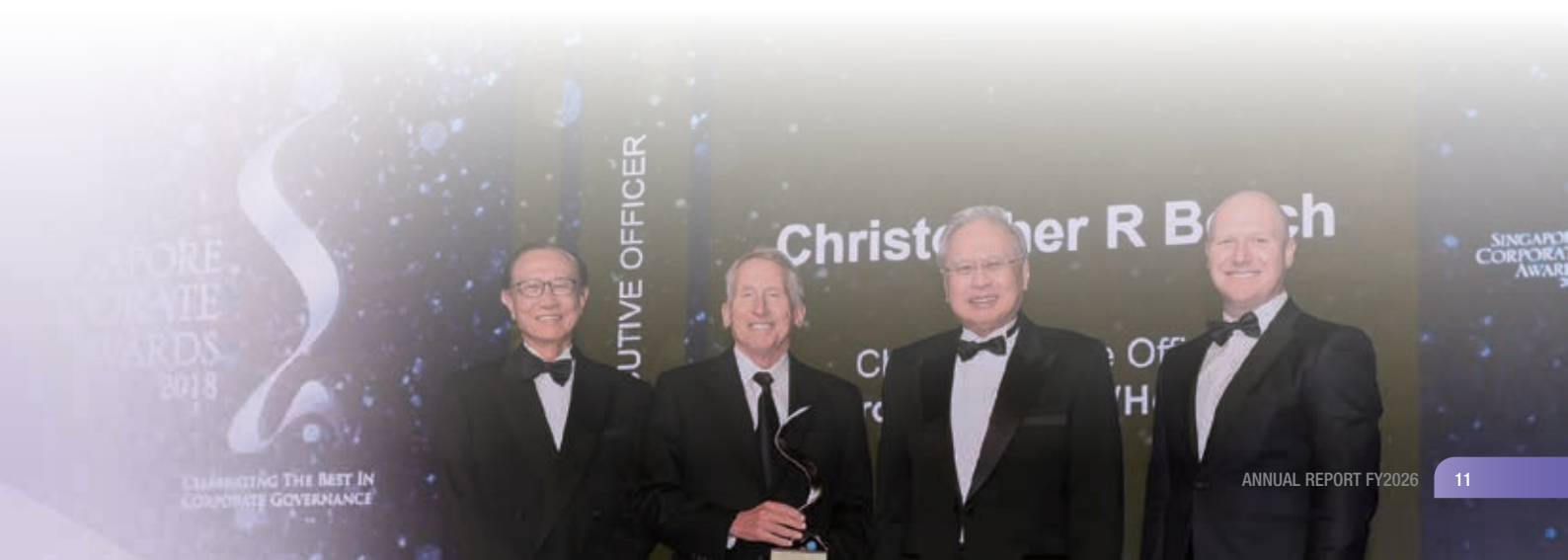
- | | |
|-------------|---|
| 2023 | • Highest Weighted ROE Over 3 years
(under sector category – Industrial & Commercial Services + Industrial Goods) |
| 2022 | • Most Profitable Company
(under sector category – Automobiles & Auto Parts; Industrial & Commercial Services; Industrial Conglomerates; Industrial Goods; Energy – Fossil Fuels; Utilities) |
| 2020 | • Most Profitable Company
(under sector category – Automobiles & Auto Parts; Industrial & Commercial Services; Industrial Conglomerates; Industrial Goods; Energy – Fossil Fuels; Utilities) |

Asiamoney Corporate Governance Poll

- | | |
|-------------|--|
| 2010 | • Best for Shareholders' Rights and Equitable Treatment in Singapore |
| 2009 | • Best for Shareholders' Rights and Equitable Treatment in Singapore |

Productivity Awards

- | | |
|-------------|--|
| 2018 | • Inaugural winner of Productivity Award conferred by the Singapore Precision Engineering and Technology Association (SPETA) in partnership with Singapore Institute of Manufacturing Technology (SIMTech) |
| 2017 | • Winner of Singapore Productivity Awards by the Singapore Business Federation (SBF) |



FINANCIAL HIGHLIGHTS

INCOME STATEMENT SUMMARY

Financial year-end 30 June

(S\$ million)	FY2022	FY2023	FY2024	FY2025	FY2026
Revenue	82.5	67.0	57.9	65.2	75.5
Gross Profit	44.0	31.2	27.2	32.2	38.9
Profit Before Tax	26.2	13.6	11.5	16.4	21.6
Net Profit	19.8	9.8	8.0	12.4	15.9
EPS (cents)	14.25	7.03	5.78	8.92	11.44
Weighted average number of shares in issue	139,031,881	139,031,881	139,031,881	139,031,881	139,005,629

BALANCE SHEET SUMMARY

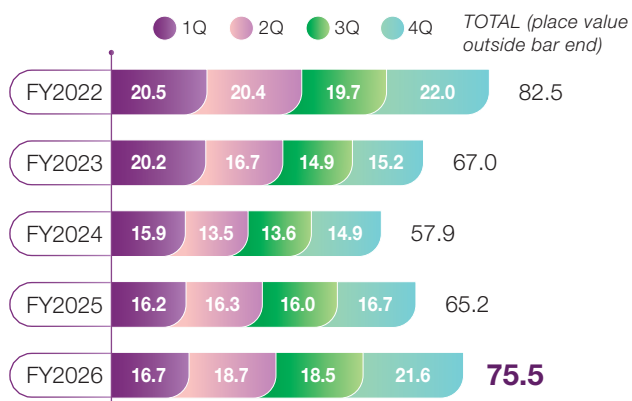
(S\$ million)	As at 30 June 2025	As at 30 June 2026
Total Non-Current Assets	21.2	21.7
Total Current Assets	39.7	52.2
Total Non-Current Liabilities	3.2	3.5
Total Current Liabilities	8.4	12.9
Shareholders' Equity	49.2	57.4
<i>Cash and cash equivalents</i>	23.3	30.1
<i>Trade and other receivables (current)</i>	13.3	17.1
<i>Trade and other payables (current)</i>	5.8	9.3
<i>Short and Long-term Debt</i>	0.0	0.0
<i>NAV per share (cents)</i>	35.4	41.38

KEY FINANCIAL RATIOS

	FY2025	FY2026
Gross Profit Margin	49.4%	51.6%
Net Profit Margin	19.0%	21.1%
Return on Equity	25.2%	27.7%
Dividend Per Share	6.0 cents	6.0 cents
Dividend Payout	67.3%	52.4%

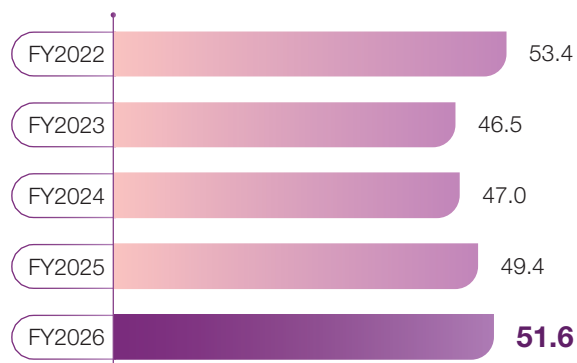
FINANCIAL HIGHLIGHTS

GROUP REVENUE (S\$M)

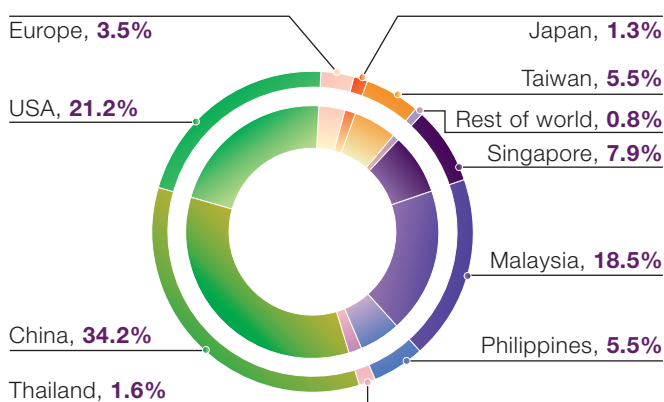


GROUP GROSS PROFIT MARGIN (%)

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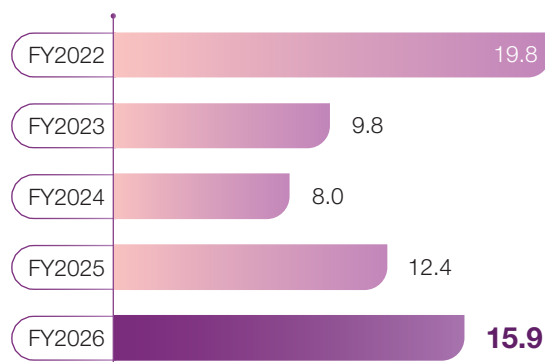


REVENUE BREAKDOWN BY GEOGRAPHICAL MARKET (FY2026)

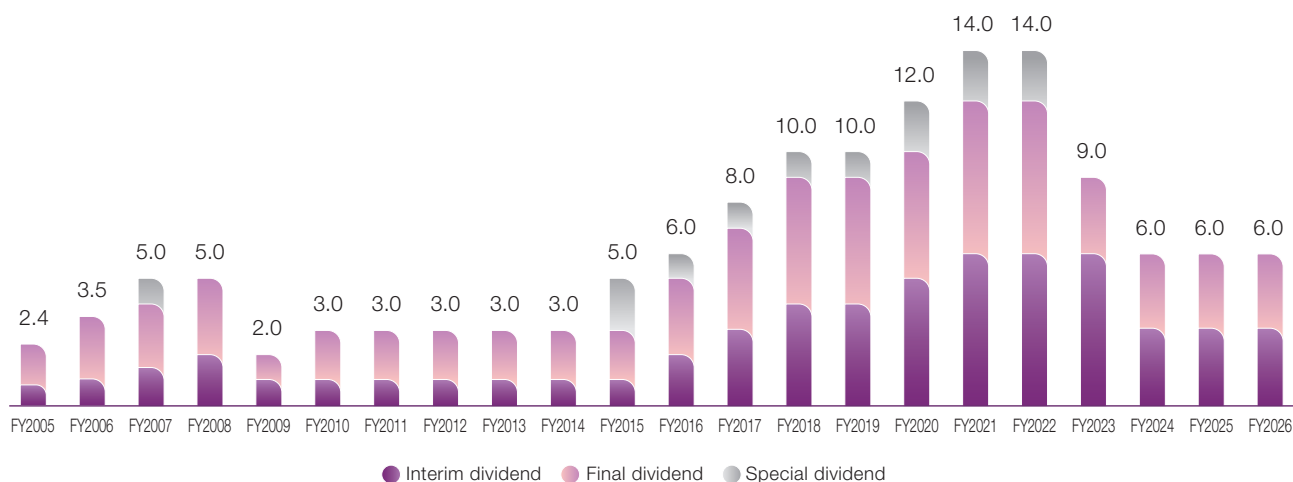


GROUP NET PROFIT (S\$M)

Data:



DIVIDEND HISTORY (CENTS PER SHARE)



FINANCIAL REVIEW

Group revenue

For the financial year ended 30 June 2026, Group revenue grew 15.8% yoy to S\$75.5 million (FY2025: S\$65.2 million). For FY2026, consumable tools sales grew 19.8% yoy to S\$60.4 million, while the WFE segment sales grew 2.3% yoy to S\$15.1 million. Consumable tools remained the main business segment, accounting for 80.0% of revenue for FY2026.

By geographical segments, China remained the Group's largest market, contributing 34.2% to Group revenue for FY2026. Sales in China rose 26.6% yoy to S\$25.8 million for FY2026.

Sales from the USA grew 10.0% yoy to S\$16.0 million for FY2026, representing 21.2% of Group revenue.

In Malaysia, sales grew 15.1% yoy to S\$14.0 million for FY2026, representing 18.5% of Group revenue, while sales in Singapore increased 4.6% yoy to S\$6.0 million, accounting for 7.9% of Group revenue.

Sales in the Philippines rose 29.6% yoy to S\$4.1 million for FY2026, while sales in Taiwan rose 4.5% to S\$4.1 million for FY2026.

Gross profit (GP) margin

GP margin for FY2026 rose to 51.6% from 49.4% in the prior corresponding period. Margin expansion was driven by operating leverage, stronger customer engagement, continued development of new products, and enhanced manufacturing processes for existing products.

Other income, distribution expenses, administrative expenses, other operating expenses and net finance expense

In aggregate, the Group's administrative, distribution and other operating expenses (net of other income) as a percentage of revenue, lowered to 23.0% for FY2026 as compared to 24.3% for FY2025. The Group remains focused on disciplined cost management as a foundation for sustainable growth.

Profit before tax and net profit

For FY2026, Group net profit increased 28.3% yoy to S\$15.9 million from S\$12.4 million for FY2025. Group earnings per share increased to 11.44 cents per share for FY2026, compared to 8.92 cents in FY2025.

Dividend payment

The Group has a formal dividend policy to distribute not less than 40% of its after-tax annual earnings, after considering financial performance, projected cash flow, capital requirements for business growth, and economic or other conditions.

In line with this policy, the Board of Directors is recommending a final dividend of 3.0 cents per share (one tier tax-exempt) for 2HFY2026 (2HFY2025: 3.0 cents per share). The dividend, amounting to S\$4.2 million, if approved by shareholders at the Annual General Meeting to be held on 26 October 2026, will be paid on 17 November 2026.

Together with the interim dividend of 3.0 cents per share (one tier tax-exempt) paid on 19 February 2026, the Group's total dividend for FY2026 would be 6.0 cents per share (one tier tax-exempt). The total payout for FY2026 will amount to S\$8.3 million, representing a dividend payout ratio of 52.4% for FY2026.

Other comprehensive income

Foreign currency translation differences from foreign operations resulted in a gain of S\$1.3 million for FY2026 (FY2025: loss of S\$0.9 million). The variance was primarily attributable to the appreciation of the Malaysian ringgit, US dollar and Chinese yuan against the Singapore dollar in FY2026 by 5.1%, 1.6% and 6.8% respectively, compared to the corresponding period in which Malaysian ringgit appreciated against the Singapore dollar by 5.1% while Chinese yuan and US dollar depreciated against the Singapore dollar by 6.5% and 6.1% respectively.

FINANCIAL REVIEW

Balance sheet

The Group maintains a strong balance sheet. As at 30 June 2026, it had a balance sheet with total assets of S\$73.8 million, shareholders' equity of S\$57.4 million, cash and cash equivalents of S\$30.1 million and no bank borrowings.

As at 30 June 2026, non-current assets increased to S\$21.7 million as compared to S\$21.2 million as at 30 June 2025.

Trade receivables

Trade receivables as at 30 June 2026 increased to S\$16.2 million from S\$12.5 million as at 30 June 2025, in line with higher revenue. Of this, S\$5k was outstanding for 90 days or more (30 June 2025: S\$2k). Bad debts written off amounts to S\$3k for FY2026 (FY2025: Nil). The Group closely monitors receivables to ensure timely collections.

Trade & other payables

As at 30 June 2026, trade payables totalled S\$1.5 million (30 June 2025: S\$0.8 million) with minimal amount outstanding for 30 days or more.

Non-trade payables and accrued expenses increased to S\$2.5 million and S\$5.1 million as at 30 June 2026 (30 June 2025: S\$0.6 million and S\$4.3 million).

Long term liabilities

As at 30 June 2026, the deferred tax liabilities was S\$1.6 million compared to S\$1.4 million as at 30 June 2025.

Inventory

The Group manages inventory to avoid over-stocking and minimise write-offs. As at 30 June 2026, inventory stood at S\$4.9 million (30 June 2025: S\$3.1 million), representing 6.5% of sales for FY2026 (30 June 2025: 4.8%). The increase was mainly due to higher material costs and longer lead times, which led the Group to build up inventory to support the fulfilment of confirmed backlog orders. Inventory write-offs for FY2026 totalled S\$73k, compared to S\$166k for FY2025.

Capital expenditure

Group capital expenditure for FY2026 amounted to S\$3.8 million, comprising S\$483k for new hardware and software, S\$3.0 million for plant and equipment and S\$285k for building improvement.

Cash flow analysis

The Group generated net cash from operations of S\$18.9 million for FY2026 (FY2025: S\$18.3 million). After deducting net cash used for investing activities of S\$1.9 million and net cash used in financing activities of S\$10.6 million, the Group reported FY2026 cash and bank balances of S\$30.1 million. Of this, S\$159k represented pledged deposits.

BOARD OF DIRECTORS



Christopher Reid Borch

Founder & Executive Chairman

Mr. Borch has more than 40 years of engineering, manufacturing and management experience in the semiconductor industry, including 17 years living and working in Asia. Prior to founding Micro-Mechanics in 1983, Mr. Borch held positions with several leading makers of automatic assembly equipment including Kulicke & Soffa, Inc. Mr. Borch earned his undergraduate degree from Furman University and an MBA from The Wharton School at the University of Pennsylvania. Mr. Borch serves on the Dean's Board of the University of Southern California's Engineering School. In July 2018, Mr. Borch received the *Best Chief Executive Officer Award* at the Singapore Corporate Awards. In 2025, Mr. Borch received the *Daniel J. Epstein Award for Engineering Management* from the University of Southern California.



Kyle Christopher Borch

Chief Executive Officer

Mr. Borch has served as CEO of Micro-Mechanics since July 2025. He oversees the Group's global operations and leads an interdisciplinary team across its five manufacturing plants to drive the Group's Five-Star Factory initiative.

He first joined Micro-Mechanics in 2018 as a manufacturing engineer, where he focused on transforming the Group's US subsidiary into a Center of Excellence for process-critical WFE manufacturing parts. Subsequently, Mr. Borch was appointed as Executive Director and Deputy CEO of Micro-Mechanics in 2023, where he launched the Five-Star Factory initiative to strengthen the Group's foundations for long-term growth.

Prior to joining Micro-Mechanics, Mr. Borch gained valuable technical and hands-on experience with various technology companies, including Agilent Technologies, Apple, and NASA Jet Propulsion Laboratory. Mr. Borch holds a Bachelor of Science in Physics with a minor in Mathematics from the University of California Los Angeles and double Master of Science degrees in Mechanical Engineering and Engineering Management from the University of Southern California.



Kenny Kwan

Lead Independent Director

Mr. Kwan is a partner at A&O Shearman. His areas of practice include capital markets transactions, mergers and acquisitions, and general corporate matters. Over two decades, Kenny has established himself as a respected Capital Markets lawyer. His securities law experience includes acting as both issuers' and underwriters' counsel on Singapore, Indonesia, Malaysia capital market transactions as well as US-registered and Rule 144A/Regulation S offerings. Mr. Kwan also advises on fund managers and issuers on the structuring and establishment of investment funds domiciled in Singapore as well as on regulatory aspects of managing investment funds outside of Singapore.

Mr. Kwan holds a Bachelor of Law (Honours) degree from the National University of Singapore and is a member of the Singapore Bar.

BOARD OF DIRECTORS



Kazuo Jozeph Takeda

Independent Director

Mr. Takeda has a strong background in industrial engineering and engineering leadership development and an extensive career covering customer experience, logistics, supply chain management, and process implementation.

He held senior managerial positions at Fortune 500 companies and technology start-ups in the USA and was an industry lecturer in the University of Southern California Industrial and Systems Engineering Master's program. Mr. Takeda has also conducted leadership training for technical/engineering audiences and led multiple business processes and system improvement efforts.

From July 2020 to July 2023, Mr. Takeda was Director of Performance Excellence at SprintRay Inc, a leading manufacturer of 3D printing ecosystems for the dental industry. Prior to joining SprintRay Inc, Mr. Takeda held managerial positions in Industrial Engineering at The Disneyland Resort, a subsidiary of The Walt Disney Company, and at United Parcel Service that spanned over three decades.

Mr. Takeda holds the rank of Fellow from the Institute of Industrial and Systems Engineering, an MBA degree from the University of Redlands, USA, with an emphasis on Geographical Information Systems, and a Bachelor of Arts degree from California State University of Long Beach.



Chua Siew Hwi

Independent Director

Ms. Chua is a seasoned executive with a distinguished track record spanning a broad spectrum of finance and corporate functions. Her expertise encompasses strategic planning, capital management, mergers and acquisitions, financial governance and reporting, enterprise risk management, innovation and digital transformation, and internal audit. Throughout her career, Ms. Chua has successfully collaborated with multidisciplinary teams across a diverse range of industries and global jurisdictions, including government agencies, aviation, financial services, and SGX Main Board-listed real estate, hospitality and shipping groups.

She is also Non-Executive Director and Finance & Investment Committee Chairperson at The Food Bank Singapore, a member of ACRA's Practice & Monitoring Sub-Committee, and serves on ISCA's Council and CFO Committee.

Ms. Chua is a Fellow Chartered Accountant of Singapore, an ASEAN Certified Public Accountant, and an SID Accredited Director. She holds a Master of Business Administration from the University of Southern Queensland and a Bachelor's degree in Accountancy from Nanyang Technological University.

EXECUTIVE OFFICERS

SINGAPORE

Micro-Mechanics (Holdings) Ltd

Ms. Wendy Tan Wei Lee (Senior Vice President, Finance & Company Secretary)

Micro-Mechanics Pte Ltd

Mr. Looi Sek Mun (Vice President (SEA), General Manager)

MALAYSIA

Micro-Mechanics Technology Sdn. Bhd.

Mr. Goh King Kang (Deputy General Manager)

PEOPLE'S REPUBLIC OF CHINA

Micro-Mechanics Technology (Suzhou) Co. Ltd.

Mr. Shen Zi Quan (Vice President (China), General Manager)

THE PHILIPPINES

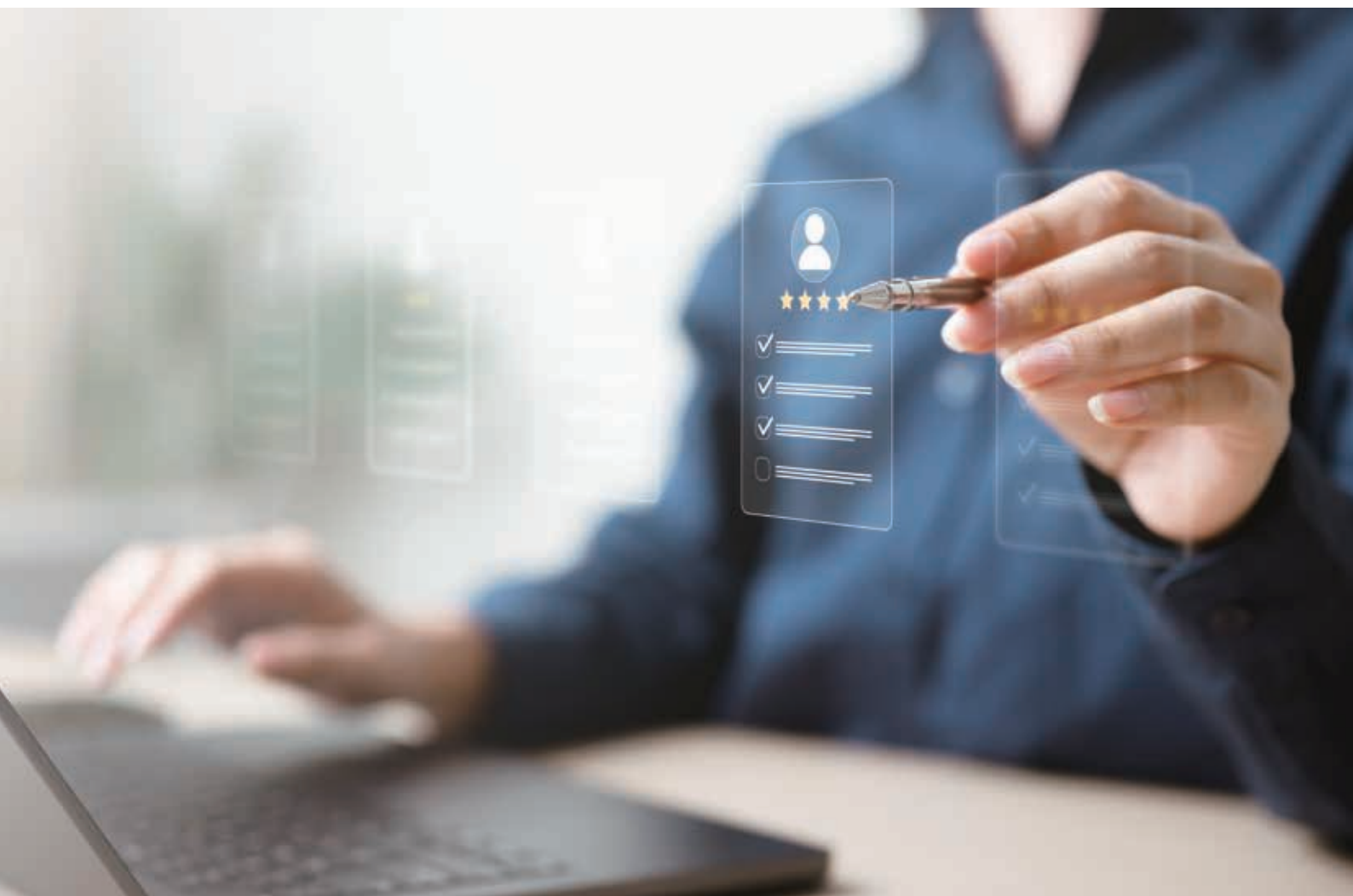
Micro-Mechanics Technology International, Inc.

Mr. Christian Palazzolo (General Manager)

THE UNITED STATES

Micro-Mechanics, Inc.

Mr. Kyle Christopher Borch (CEO)



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CORPORATE INFORMATION

Board of Directors

Christopher Reid Borch

*Executive Chairman and
Executive Director*

First appointed: 25 June 1996
(Email: cborch@micro-mechanics.com)
(re-appointed on 30 October 2025)

Kyle Christopher Borch

*Executive Director and
Chief Executive Officer*

First appointed: 1 January 2023
(Email: kborch@micro-mechanics.com)
(re-appointed on 30 October 2025)

Kenny Kwan Yew Kwong

Lead Independent Director

First appointed: 14 June 2019
(Email: kennykwan@micro-mechanics.com)
(re-appointed on 30 October 2024)

Kazuo Jozeph Takeda

Independent Director

First appointed: 1 November 2023
(Email: ktakeda@micro-mechanics.com)
(re-appointed on 30 October 2024)

Chua Siew Hwi

Independent Director

First appointed: 1 April 2024
(Email: chuash@micro-mechanics.com)
(re-appointed on 30 October 2024)

Audit & Risk Committee

Chua Siew Hwi

Chairperson

Kenny Kwan Yew Kwong

Kazuo Jozeph Takeda

Nominating Committee

Kazuo Jozeph Takeda

Chairman

Kenny Kwan Yew Kwong

Chua Siew Hwi

Remuneration Committee

Kenny Kwan Yew Kwong

Chairman

Kazuo Jozeph Takeda

Chua Siew Hwi

Company Secretaries

Wendy Tan Wei Lee

Certified Public Accountant (Singapore)

Nor Hafiza Alwi, FCIS (CSIS, CGI)

Fellow Practising Chartered Secretary

Registered Office

Company No: 199604632W

31 Kaki Bukit Place

Eunos Techpark

Singapore 416209

Tel: 65-6746-8800

Fax: 65-6746-7700

Share Registrar &

Share Transfer Office

B.A.C.S. Private Limited

77 Robinson Road

#06-03 Robinson 77

Singapore 068896

Auditors

KPMG LLP, Certified Public
Accountant

12 Marina View

#15-01 Asia Square Tower 2

Singapore 018961

Partner-in-charge: Tan Khai Boon

(appointed since Financial Year 2022)

Internal Auditors

CLA Global TS Risk Advisory Pte Ltd

80 Robinson Road

#25-00

Singapore 068898

Principal Banker

DBS Bank Ltd

12 Marina Boulevard

Marina Bay Financial Centre Tower 3

Singapore 018982

Investor Relations Consultant

Teneo

One George Street

#12-01/02

Singapore 049145

Tel: 65-69558876

Email: micro-mechanics@teneo.com

SUSTAINABILITY REPORT

Year ended 30 June 2026

FY2026 SUSTAINABILITY HIGHLIGHTS

Integrity and Governance – DO IT RIGHT!

ZERO

confirmed incidents of corruption

ZERO

tolerance stance on corruption

100%

of Directors completed SGX sustainability training and the SID Advanced Programme

Environmental Stewardship through Operational Excellence

-4%

Year-on-year (“YOY”) % decrease in total energy consumption intensity

FY2025: 0.560 GJ/
revenue S\$'000
FY2026: 0.537 GJ/
revenue S\$'000

-15.9%

YOY % decrease in total GHG emissions intensity¹

FY2025: 0.088 tCO₂e/
revenue S\$'000
FY2026: 0.074 tCO₂e/
revenue S\$'000

+9.9%

YOY % increase in water withdrawal intensity²

FY2025: 0.211 ML/
revenue S\$ million
FY2026: 0.232 ML/
revenue S\$ million

86%

recycling rate Group-wide

FY2025: 75% recycling
rate

High-Performance Teams

+56%

YOY % increase in new hire rate

FY2025 new hire rate:
10.9%
FY2026 new hire rate:
17.0%

-25.9%

YOY % decrease in turnover rate

FY2025 turnover rate:
16.2%
FY2026 turnover rate:
12.0%

0.566

Rate of recordable work injuries

FY2025 rate: 0.608

ZERO

fatalities

¹ Larger decrease in YOY emissions intensity is attributed to the increased proportion of solar energy used in MMUS.

² Increase in water consumption in FY2026 is attributed to increased production capacity.

SUSTAINABILITY REPORT

Year ended 30 June 2026

ABOUT THIS REPORT

Reporting Period

1 JULY 2025 to 30 JUNE 2026

Aligned with Micro-Mechanics' financial year.

Reporting Principles and Statement of Use

This year's Sustainability Report ("Report") is prepared with reference to the Global Reporting Initiative ("GRI") Standards 2021, as we conducted a review of our sustainability reporting process to reflect a more robust approach. The GRI Standards are the most widely adopted global sustainability reporting standard. Since our inaugural Report in 2017, we have adopted GRI Standards to understand our impact on ESG topics and meet our sustainability reporting obligations.

Furthermore, this Report is produced in line with the reporting requirements of Practice Note 7.6 and Rules 711A and 711B of the Singapore Exchange Securities Trading Limited ("SGX-ST").

For climate-related disclosures, we have voluntarily begun the adoption of the IFRS Sustainability Disclosure Standards ("IFRS SDS") ahead of SGX's regulatory timeline to strengthen our climate reporting capabilities and prepare for the upcoming regulatory requirements. We have conducted a preliminary review and gap assessment and adopted IFRS S1 (insofar as it relates to the disclosure of information on climate-related risks and opportunities) and S2, covering the governance and strategy pillars. The risk management and metrics & targets pillars will be disclosed in the subsequent report. We will continue to review and enhance our implementation in line with evolving SGX guidance and reporting requirements.

In prior years, we had aligned our climate-related disclosures with the TCFD recommendations, which have since been incorporated into IFRS S2. Accordingly, while this is our first year applying the IFRS SDS framework, all relevant prior-year TCFD-related disclosures and information, as well as the GRI Standards, have been provided for reference where applicable.

Forward-Looking Statements

This Report presents the Group's future aspirations based on our current industry knowledge and sustainability objectives. While these statements reflect our best estimates, they inherently involve some level of uncertainty. Actual results may differ due to unforeseen circumstances. We will provide the necessary updates when relevant.

Reporting Frameworks

GRI Standards 2021
Global Reporting Initiative

SGX-ST Practice Note 7.6, Rules 711A & 711B
Singapore Exchange Mainboard Listing Rules

IFRS S2 Climate-related Disclosure Standard

Feedback

We welcome feedback and suggestions relating to our Report.
investors@micro-mechanics.com

SUSTAINABILITY REPORT

Year ended 30 June 2026

Reporting Scope and Boundary

In defining the reporting scope, we evaluated the significance of potential ESG impacts and selected our key operations as outlined below. In alignment with IFRS S1 and IFRS S2, the reporting scope is aligned with the Group's general-purpose financial statements and encompasses all entities included within the Group's financial reporting boundary.

#	Entity	Name of Entity	Principal Activity	Country
1	MMH	Micro-Mechanics (Holdings) Ltd	Parent – The Group	Singapore
2	MMS	Micro-Mechanics Pte Ltd	Manufacture of precision tools	Singapore
3	MMSU	Micro-Mechanics Technology (Suzhou) Co. Ltd	Manufacture of precision tools	China
4	MMP	Micro-Mechanics Technology Sdn Bhd	Manufacture of precision tools	Malaysia
5	MMPH	Micro-Mechanics Technology International, Inc	Manufacture of precision tools	Philippines
6	MMUS	Micro-Mechanics Inc	Manufacture of precision components and modules; sale of precision tools	United States of America

Restatements

Restatements of FY2025 energy, emissions, water and waste metrics are disclosed in the respective sections and reflect the inclusion of updated MMUS data.

Assurance

While Micro-Mechanics did not seek any external assurance, the collected data has been internally verified as stipulated by SGX-ST Listing Rule 711B (3). As our ESG programme matures, processes will be further refined and improved to ensure consistency and accuracy of data.

Facility Exposure

Singapore • China • Malaysia • Philippines • United States

Message from the Board of Directors

The Board of Directors (the “Board”) is pleased to present Micro-Mechanics' FY2026 Sustainability Report, our ninth report since we began ESG-related disclosures in 2017. Since then, we have developed a more structured approach based on data and measurable results. The Board is encouraged by our progress and remains committed to continued improvement.

This report shares our approach to climate governance and strategy, together with selected climate-related risks and performance metrics. These disclosures reflect our commitment to managing climate-related matters and providing stakeholders with clear and useful information.

SUSTAINABILITY REPORT

Year ended 30 June 2026

The Changing Landscape

Stakeholders are placing greater importance on sustainability, climate resilience and responsible business conduct. In response, Micro-Mechanics is integrating environmental, social and governance (“ESG”) considerations into our strategy, risk management and daily operations. We believe this will strengthen the Group and support sustainable long-term value for our stakeholders.

Governance from the Boardroom to the Shop Floor

Good governance is fundamental to how we operate. We aim to apply sound governance and responsible business practices throughout the Group, from the boardroom to the shop floor.

As responsible corporate citizens, we also view sustainability as a core business imperative alongside profitability. We recognise and manage the social and environmental impacts of our operations through robust practices guided by the Board’s diverse expertise.

DO IT RIGHT! and Five-Star Factory Initiatives

Our sustainability approach is guided by our nine core values, represented by the acronym “DO IT RIGHT!” and the six pillars of our Five-Star Factory initiative: Customer Engagement and Support, High-Performance Teams, Workplace Efficiency and Safety, Finance and IT Excellence, Operational Excellence and Innovation Excellence. These principles guide how we operate, grow and serve our stakeholders. They also help us improve business performance, strengthen resilience and maintain a competitive position.

Strengthening Climate Resilience

This report has been prepared with reference to the GRI Standards and marks our first year progressing towards IFRS S2, with Governance and Strategy pillars covered and Risk Management and Metrics & Targets to follow. Board oversight of climate-related risks and opportunities is ongoing and will be further developed in subsequent cycles.

Applying Manufacturing Rigour to ESG

We apply the same disciplined methods used in our manufacturing and quality-management systems to our sustainability programme. Using data analysis and continuous improvement tools, we prioritised projects that were both practical to implement and impactful for the business. This approach supports consistent performance monitoring, accountability and continued improvement in our ESG policies, processes and data.

During the year, this included measures to improve energy and water efficiency, optimise cooling requirements and recycle scrap metal generated from production processes.

Looking Ahead

The Board believes that embedding ESG across all parts of our organisation is essential to creating sustainable long-term value for our stakeholders. In the year ahead, we will continue to expand the scope of our ESG initiatives, enhance disclosures and strengthen alignment with global standards. We would like to thank everyone who contributed to this report and to our sustainability efforts. Your commitment has been important to the progress we have made.

Sincerely,

Board of Directors

Micro-Mechanics (Holdings) Ltd.

SUSTAINABILITY STRATEGY AND STAKEHOLDER ENGAGEMENT

We have identified three (3) ESG focus areas to guide our sustainability strategy. The mapping shows how each stakeholder group contributes to specific focus areas, as well as how we engage with these stakeholders and respond to their concerns.

Integrity and Governance – DO IT RIGHT!

We believe in upholding the standards of ethical conduct and governance across our operations. By promoting transparency, accountability and taking a firm stance against corruption, we aim to earn the trust of our stakeholders and ensure sustainable growth.

Material Topic

► Upholding Good Governance

	Engagement Platforms	Issues of Concern	Our Response
 Investors & Shareholders	• Media releases • Quarterly SGX announcements • Quarterly and annual results briefings • Annual General Meeting • The Group's website (Investor Relations) • Email communications • Ad hoc meetings and conference calls	• Economic and financial performance • Business strategy • Relevant disclosures to shareholders	• Regular, transparent updates on performance • Communicate business strategy clearly • Timely and relevant disclosures through multiple channels
 Regulators	• Sessions and updates from local government agencies and standard-setting bodies • Internal compliance processes and training	• Compliance with laws and regulations • Anti-corruption and bribery	• Ensure compliance with all applicable laws and regulations • Maintain a zero-tolerance policy towards corruption and bribery • Monitor and update internal processes to meet regulatory requirements

Environmental Stewardship Through Operational Excellence

We aim to achieve operational excellence by embedding climate resilience and environmental responsibility into our manufacturing processes. As a *Next-Generation Supplier* of precision tools and parts for the semiconductor industry and other high-tech industries, we aim to optimise energy efficiency, reduce emissions, and manage our use of water and materials responsibly to minimise environmental impact while supporting long-term productivity.

SUSTAINABILITY REPORT

Year ended 30 June 2026

Material Topics

- ▶ Building Climate Resilience
- ▶ Protecting Our Environment

	Engagement Platforms	Issues of Concern	Our Response
 Suppliers	- Meetings with suppliers - Supplier selection process - Supplier assessment	- Responsible business practices - Product quality assurance	- Ensure responsible business practices within the supply chain - Ensure product quality through supplier collaboration and monitoring - Apply criteria in selecting and evaluating suppliers
 Local Communities	- Compliance monitoring with local government environmental/zoning actions - Community engagement and support activities	Social development	- Ensure adherence to local laws on pollution and chemical discharge - Prioritise hiring of local nationals and residents - Actively participate in and support local community development initiatives

High-Performance Teams

We value our people, and we are committed to building high-performance teams by fostering a safe, inclusive, and growth-oriented work environment. From fair employment practices to employee upskilling and safety standards, we support our workforce in their well-being and growth.

Material Topics

- ▶ Caring for our People
- ▶ Workplace Health and Safety

	Engagement Platforms	Issues of Concern	Our Response
 Employees	- Materiality prioritisation sessions - Group handbook (Code of Conduct) and new staff orientation - Biannual performance and development reviews - Quarterly HR audits - Town hall meetings - Anti-bribery policy and staff training sessions - Emergency drills and exercises - Whistleblowing policy	- Employee engagement - Workplace health and safety - Training and development	- Promote workplace health and safety through audits, drills and training - Support growth with training and career development - Reinforce ethical conduct through policies, induction and training - Open communication through various engagement channels

SUSTAINABILITY REPORT

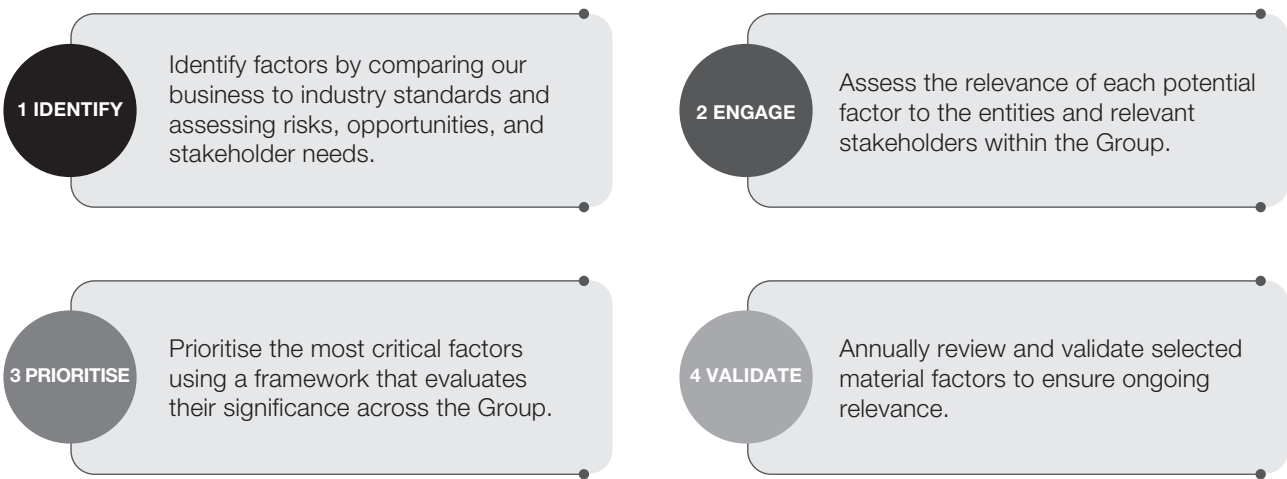
Year ended 30 June 2026

	Engagement Platforms	Issues of Concern	Our Response
 Customers	• Customer visits by sales personnel • Participation in industry trade shows • Annual customer satisfaction surveys • Factory visits by customers	• Product quality • Compliance with industry product standards • Customer satisfaction	• Ensure consistent product quality and performance • Comply with relevant industry standards and certifications • Meet applicable product and chemical compliance requirements, such as RoHS and REACH • Gather and respond to customer feedback

Materiality Assessment

The materiality assessment was conducted in consideration of our internal and external stakeholder concerns based on information gathered from our stakeholder engagement and the following steps:

Our Process



INTEGRITY AND GOVERNANCE Upholding Good Governance	ENVIRONMENTAL STEWARDSHIP THROUGH OPERATIONAL EXCELLENCE Building Climate Resilience • Protecting Our Environment	HIGH-PERFORMANCE TEAMS Caring for our People • Workplace Health and Safety
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SUSTAINABILITY REPORT

Year ended 30 June 2026

01 Integrity and Governance – DO IT RIGHT!

Sustainability Governance

Upholding Good Governance

Anti-corruption

SUSTAINABILITY GOVERNANCE

At Micro-Mechanics, we believe our commitment to sustainability is integral to fostering long-term value creation. Our ESG reporting structure ensures active engagement across all organisational levels.

The Board of Directors provides oversight on significant ESG factors crucial to our long-term objectives. The Board also identifies ESG-related risks and opportunities, formulates strategies and policies to address these challenges, and sets targets and performance indicators for our ESG programme. Its oversight ensures that our sustainability initiatives are proactive and aligned with the organisation's long-term goals. The Board also receives updates during the quarterly Board Meetings on sustainability and climate-related issues.

Led by the Head of Sustainability, our Sustainability Working Committee ("SWC") is responsible for implementing and managing ESG policies, initiatives, and programmes, including the monitoring and management of the Group's climate-related issues. This committee translates the Board's strategic directives into actionable plans. By continuously monitoring progress and adapting strategies, the committee ensures our ESG efforts are dynamic and responsive to both internal and external changes.

We believe sustainability is a collective responsibility. Our employees are encouraged to support and implement sustainability initiatives within their capacities. This grassroots approach allows us to embed our ESG objectives in our daily operations and decision-making processes. Through training and active involvement in sustainability projects, our employees drive our ESG agenda forward, fostering a culture of sustainability.

All Directors have completed the SGX-mandated sustainability training. In addition, all Directors have completed the SID Advanced Programme on Sustainability for Listed Entity Directors, equipping them with the knowledge, skills and competencies required to oversee the Group's sustainability strategy and effectively respond to climate-related risks and opportunities.



SUSTAINABILITY REPORT

Year ended 30 June 2026

SUSTAINABILITY GOVERNANCE STRUCTURE



SUSTAINABILITY REPORT

Year ended 30 June 2026

UPHOLDING GOOD GOVERNANCE

The Group is committed to upholding governance and ethical standards across all our operations. We promote a culture of transparency and take measures to prevent corruption.

WHY IT MATTERS	OUR APPROACH	QUANTITATIVE HIGHLIGHTS
Anti-corruption and ethical conduct are essential to maintaining trust with employees, customers and business partners, and to ensuring compliance with applicable laws and regulations across the jurisdictions in which the Group operates. Responsible handling of personal data is also critical to protect stakeholder information and meet legal obligations under the Personal Data Protection Act ("PDPA").	Code of Conduct – DO IT RIGHT! Micro-Mechanics conducts its business in line with its Code of Conduct, the "DO IT RIGHT!" strategy, which is based on nine (9) guiding principles: Diligence, Ownership, Integrity, Teamwork, Respect, Ingenuity, Governance, Habit and Timeliness. These principles guide employee behaviour and decision-making across all levels of the organisation. Zero Tolerance and Whistleblowing We maintain a zero-tolerance stance on corruption and expect employees, suppliers and partners to act with honesty and transparency. A whistleblowing policy is in place to support the reporting of concerns, and internal audits are conducted by an independent public accounting firm, separate from annual financial audits, to monitor compliance. Personal Data Protection We also comply with the PDPA by ensuring personal data is collected, stored and used responsibly. Safeguards are implemented to prevent unauthorised access or misuse of information.	ZERO confirmed incidents of corruption³

³ This includes zero employees dismissed or disciplined for corruption, zero business-partner contracts terminated due to corruption and zero public legal cases relating to corruption involving the organisation.

02 Environmental Stewardship through Operational Excellence

Climate Governance

Climate Strategy and Business Resilience

Building Climate Resilience

Protecting Our Environment

CLIMATE GOVERNANCE

We recognise that climate change can impact both our business and the stakeholders we serve. By identifying and addressing climate-related risks and opportunities, we can protect and contribute to a more sustainable future.

The Board is accountable for the oversight of climate-related risks and opportunities and will continue to stay informed on the latest developments relevant to the business. In addition, as part of strengthening its climate governance framework, the Board intends to oversee the development and implementation of climate-related policies to support the identification, assessment and management of climate-related risks and opportunities.

We intend to assess the feasibility of integrating climate-related risks and opportunities into our Enterprise Risk Management (“ERM”) framework in the future. This includes evaluating how such considerations align with the Group’s strategy, risk appetite, and decision-making processes, as well as potential trade-offs with other strategic priorities.

During the reporting period, we have not established climate-related emissions or energy targets. We plan to develop appropriate targets in the next financial year, considering our operational context, data availability, and business priorities. The Board will oversee this process. Climate-related metrics & targets are currently not incorporated into employee or management remuneration frameworks.

CLIMATE STRATEGY AND BUSINESS RESILIENCE

With an increasing awareness of the global climate crisis, we are more committed than ever to sustainable conservation efforts. We recognise that climate change poses different types of risks to our business. Our overarching climate strategy is to identify, assess, and mitigate potential impacts of climate-related physical and transition risks on our business.

In FY2026, we utilised climate scenario analysis to evaluate the resilience of the Group’s strategy and business model against climate-related changes, developments, and uncertainties, considering the risks and opportunities we have identified.

The Group will adopt a phased approach to integrate climate-related considerations into its business strategy, to account for the evolving nature of climate-related risks and opportunities.

We have implemented various energy efficiency and emissions reduction initiatives across our operations. These include the installation and use of solar energy at MMUS, as well as the progressive implementation of energy-saving measures at other facilities. In addition, the Group conducts ongoing monitoring of utility consumption to identify opportunities for improving operational efficiency and reducing energy usage.

To enhance resilience against physical climate-related risks, the Group has implemented contingency measures, including alternative routing arrangements, to reduce potential operational disruptions.

SUSTAINABILITY REPORT

Year ended 30 June 2026

As these initiatives and measures are already embedded within the Group’s operational and business planning processes, the Group does not currently have a separate climate transition plan.

NGFS Scenarios Applied

The Network for Greening the Financial System (“NGFS”) offers widely used climate scenarios to assist the Group in evaluating climate risks and transition pathways. These scenarios are aligned with the latest Intergovernmental Panel on Climate Change (“IPCC”) assessment on climate change.

Among these, two (2) scenarios were selected. These scenarios incorporate assumptions relating to regulatory developments, energy transition pathways, technological progress, and evolving consumer behaviours to evaluate potential strategic implications.

DELAYED TRANSITION

The Delayed Transition scenario assumes a disorderly transition where no additional climate policies will be implemented until 2030. Strong policies would then be needed to limit warming below 2°C, resulting in higher transition risk.

NATIONALLY DETERMINED CONTRIBUTIONS (NDC)

The Nationally Determined Contributions (“NDC”) scenario assumes a Hot House World that reflects the trajectory based on all the pledged targets even if not backed up by effectively implemented policies, resulting in higher physical risk.

SHORT-TERM
Less than 3 years

MEDIUM-TERM
3 to 5 years

LONG-TERM
More than 5 years

Basis of Preparation

Consistent with the proportionality principle under IFRS S2, the Group provides climate-related disclosures based on its current level of information, resources, and expertise. Due to the uncertainty associated with climate change, the Group has not yet quantified broader macroeconomic impacts, such as changes in customer demand, income distribution, or industry cost structures. As the Group’s budgeting and planning processes operate on an annual cycle, the assessment of climate-related risks and opportunities is more detailed for the short term. Medium-term and long-term impacts are assessed qualitatively to support financial and strategic planning.

In developing its climate risk assessment, the Group considered relevant IFRS S2 industry-based guidance (Volume B50: Industrial Machinery & Goods), cross-industry metric categories, and peer benchmarking. The identified climate-related risks and opportunities were assessed based on their current and potential impact on the Group’s business model and value chain.

At this stage, the Group assesses climate-related financial impacts qualitatively, reflecting its current resources and capabilities. The quantification of potential impacts on the Group’s financial position, financial performance, and cash flows over the short, medium, and long term remains under consideration as the Group continues to enhance its climate-related assessment processes. This includes evaluating the potential effects of investments in climate mitigation and adaptation initiatives. The Group also recognises potential climate-related opportunities. However, it is currently difficult to isolate the effects of climate-related opportunities from other business opportunities. As a result, the current and anticipated financial effects of climate-related opportunities have not been quantified for this reporting period. These opportunities will be further assessed as the Group continues to develop its climate strategy.

SUSTAINABILITY REPORT

Year ended 30 June 2026

Accordingly, the Group has not undertaken a quantitative assessment of climate-related impacts on its financial position at this stage. As its climate strategy and capabilities mature, the Group will continue to evaluate the feasibility of providing such disclosures to enhance transparency and meet stakeholder expectations.

Based on the Group's current analysis and to the best of its informed judgment, the identified climate-related risks and opportunities are not expected to result in a material impact on the carrying amounts of assets and liabilities in the next reporting period. However, given the inherent uncertainties associated with climate-related factors, actual impacts may differ.

CLIMATE-RELATED TRANSITION RISKS • T1

T1 TRANSITION RISK

Increased customer and stakeholder demand for low-emission parts and tools

IMPACT HORIZON			IMPACT ON VALUE CHAIN		
SHORT-TERM (<3 yrs)	MEDIUM-TERM (3-5 yrs)	LONG-TERM (>5 yrs)	UPSTREAM	OWN OPERATIONS	DOWNSTREAM
RISK DRIVER Rising customer and stakeholder expectations for low-emission products, driven by decarbonisation pressures within the semiconductor industry and evolving sustainability and regulatory requirements.			RISK DESCRIPTION The Group may face challenges in meeting evolving ESG and emissions-related requirements from customers across key markets. Failure to align product offerings with sustainability expectations could result in reduced competitiveness and potential loss of market share.		
RISK HYPOTHESIS As the semiconductor industry faces increasing pressure to decarbonise, demand for low-emission products may increase across the value chain. If the Group is unable to respond adequately, customers may shift towards alternative suppliers offering more sustainable solutions.			IMPACT ON BUSINESS MODEL AND VALUE CHAIN Growing customer expectations for sustainable supply chains may require the Group to review its product portfolio, manufacturing processes and supplier selection criteria. Increased reporting requirements, including Scope 3 emissions disclosures, could place additional operational and resource demands on the business. The need to develop or adapt low-emission products may lead to higher capital expenditure and greater allocation of research and development resources. Over time, the organisation's market position may be affected if it is unable to meet evolving procurement standards and customer preferences.		
			MITIGATION RESPONSE The Group will continue to monitor the evolving customer requirements, including requests for emissions-related data and green procurement criteria. The Group will also assess the emerging regulatory frameworks and industry standards, such as Responsible Business Alliance guidelines and ISO requirements related to climate disclosures. Current practices and capabilities relating to low-emission operations are being reviewed, including potential enhancements to machinery, product lines and internal processes. The Group also continues to engage with stakeholders to understand expectations, although demand for low-emission products remains relatively limited in certain markets.		

SUSTAINABILITY REPORT

Year ended 30 June 2026

CLIMATE-RELATED TRANSITION RISKS • T2

T2 TRANSITION RISK

Increased energy and electricity costs for production in operating locations

IMPACT HORIZON			IMPACT ON VALUE CHAIN		
SHORT-TERM (<3 yrs)	MEDIUM-TERM (3-5 yrs)	LONG-TERM (>5 yrs)	UPSTREAM	OWN OPERATIONS	DOWNSTREAM
RISK DRIVER Rising carbon tax rates in Singapore. Potential future expansion of carbon pricing mechanisms in other key operating markets, including Malaysia, China, the United States and the Philippines.			RISK DESCRIPTION The introduction of carbon taxes may increase operating costs through higher electricity, fuel and utility prices, as indirect cost pass-through from power providers may impact overall production expenditure.		
RISK HYPOTHESIS As carbon pricing mechanisms expand, energy providers may pass through higher generation costs, leading to increased utility expenses. This may result in rising production costs, particularly in locations exposed to regulated electricity markets.			IMPACT ON BUSINESS MODEL AND VALUE CHAIN Higher electricity and fuel prices may increase operating expenditure associated with running production facilities and equipment in Singapore currently, and potentially the rest of the operating markets in the future. This could affect cost structures, particularly in energy-intensive processes, and may reduce cost competitiveness if not managed effectively.		
			MITIGATION RESPONSE The Group will continue to monitor energy costs and observe fluctuations in electricity expenses across operations. Renewable energy adoption has been implemented in the United States, while solar opportunities in Singapore are still being assessed. Energy efficiency initiatives, including facility upgrades, regular audits and optimisation of cooling and equipment performance, have been introduced. Resource consumption such as electricity, fuel, and water will continue to be tracked and analysed to identify efficiency improvements.		

Carbon tax – currently applicable in Singapore; potential future expansion to Malaysia, China, the United States and the Philippines. One of five operating markets is exposed to carbon pricing today.

CLIMATE-RELATED PHYSICAL RISKS • P1

P1 PHYSICAL RISK

Water scarcity and drought across the Group's operations and customer base

IMPACT HORIZON			IMPACT ON VALUE CHAIN		
SHORT-TERM (<3 yrs)	MEDIUM-TERM (3-5 yrs)	LONG-TERM (>5 yrs)	UPSTREAM	OWN OPERATIONS	DOWNSTREAM
RISK DRIVER Growing risk of water scarcity and drought across operating locations, which may impact existing water-stressed locations where the Group and its semiconductor customers operate.			RISK DESCRIPTION Water-intensive manufacturing processes may be exposed to reduced water availability, particularly where water is required for water-based coolants and in cooling towers. Although no historical disruptions have occurred that directly impacted the Group's operations, future drought conditions may affect both operations and customer production.		
			IMPACT ON VALUE CHAIN MMUS relies on water-based coolant and water for parts cleaning processes, while MMP uses large cooling towers and water as a feedstock for producing reverse osmosis (RO) water used in cleaning processes. Although the Group has not experienced material disruptions from water shortages historically, prolonged drought conditions or water supply constraints in these locations could increase operating costs or affect production continuity. The Group's semiconductor customers may also be exposed to water supply constraints due to the water-intensive nature of semiconductor fabrication processes, which could adversely affect demand for the Group's products.		



SUSTAINABILITY REPORT

Year ended 30 June 2026

RISK HYPOTHESIS

If water scarcity intensifies in the Group's operating regions, both the Group and its customers may experience constraints on water availability. This may reduce production continuity and indirectly affect demand for the Group's products.

IMPACT ON BUSINESS MODEL AND VALUE CHAIN

The Group's operations may be exposed due to dependence on water for cooling purposes (i.e., water-based coolants, cooling towers).

While Singapore is recognised as water-constrained, mitigation measures at the national level have limited disruption to date, and no material shortages have been observed in facilities in Penang, the Philippines or Suzhou. However, semiconductor customers operating in similarly stressed regions may reduce production, which could affect demand.

Prolonged water stress may also increase operating costs through the need to procure de-ionised water or adjust production allocation across facilities.

MITIGATION RESPONSE

The Group monitors water-related risks and has not experienced material drought-related disruptions historically.

It maintains contingency measures to reroute production and cleaning processes across facilities in the event of temporary closures, while recognising its reliance on water for coolant and cleaning applications and considering incorporating this exposure into the Group's enterprise risk management processes.

In responding to potential water constraints, the Group may consider measures such as procuring de-ionised or treated water and reallocating water-intensive activities to less water-stressed locations. However, these actions may involve higher operating costs, logistical complexities and efficiency trade-offs.

Efforts to reduce water consumption may also be constrained by customer requirements for water-based processes, necessitating a balance between operational resilience, cost management and service delivery.



SUSTAINABILITY REPORT

Year ended 30 June 2026

CLIMATE-RELATED PHYSICAL RISKS • P2

P2 PHYSICAL RISK

Extreme weather events affecting factories and employee safety in impacted operating locations

IMPACT HORIZON			IMPACT ON VALUE CHAIN		
SHORT-TERM (<3 yrs)	MEDIUM-TERM (3-5 yrs)	LONG-TERM (>5 yrs)	UPSTREAM	OWN OPERATIONS	DOWNSTREAM
RISK DRIVER Increasing frequency and severity of extreme weather events, including wildfires, flash floods, typhoons and storms, across key operating regions such as China, the Philippines, Malaysia and the United States.			RISK DESCRIPTION Extreme weather events may disrupt operations through damage to facilities, temporary closures and safety risks to employees. These disruptions may also affect production continuity and supply chain reliability.		
RISK HYPOTHESIS As extreme weather events intensify across operating regions, facilities may experience more frequent disruptions and closures. This could reduce operational continuity and affect the Group's ability to deliver products on time.			IMPACT ON BUSINESS MODEL AND VALUE CHAIN Extreme weather events may expose facilities to physical damage and temporary shutdowns, potentially affecting production capacity and delivery timelines. Workforce productivity and mobility may also be disrupted during such events. Supply chain delays, including transport interruptions, could further affect raw material availability and delivery commitments. However, proximity of certain facilities to customer locations may help to partially mitigate disruption impacts in some cases.		
			MITIGATION RESPONSE The Group manages minor disruptions through routine maintenance of the building facilities and has not experienced significant physical damage from recent events, although certain locations, such as the Philippines, may be more vulnerable. Contingency measures are in place to reroute production to alternative facilities, particularly within Asia, to maintain continuity. In doing so, the Group may face trade-offs, including potential disruption where manufacturing is not located close to customers and the need to shift production across facilities, which may introduce short-term inefficiencies. While some sites are currently located in less flood-prone areas or on higher ground, reducing exposure, reliance on regional production capabilities means that operational adjustments may be required during extreme events.		

FACILITY EXPOSURE

SINGAPORE Water stress	MALAYSIA Flooding • storms	CHINA Typhoons • flooding	PHILIPPINES Typhoons • higher vulnerability	UNITED STATES Wildfire • storms
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SUSTAINABILITY REPORT

Year ended 30 June 2026

CLIMATE-RELATED OPPORTUNITY • O1

O1 OPPORTUNITY

Taking advantage of governmental grants and incentives to support the decarbonisation of operations and the development of low-emission products

IMPACT HORIZON			IMPACT ON VALUE CHAIN		
SHORT-TERM (<3 yrs)	MEDIUM-TERM (3-5 yrs)	LONG-TERM (>5 yrs)	UPSTREAM	OWN OPERATIONS	DOWNSTREAM
OPPORTUNITY DRIVER Availability of governmental grants and incentives supporting decarbonisation, energy efficiency and low-emission manufacturing across key operating markets.			OPPORTUNITY DESCRIPTION The Group may have opportunities to leverage grants, subsidies or tax incentives to support investments in sustainable operations and product development. However, utilisation may vary across regions depending on maturity of programmes and customer demand for sustainable products.		
OPPORTUNITY HYPOTHESIS The Group may effectively access available incentives to accelerate adoption of energy-efficient technologies and low-emission products. This could strengthen competitiveness, although realisation may depend on evolving customer demand in different regions.			IMPACT ON BUSINESS MODEL AND VALUE CHAIN Government incentives may support capital investments in energy-efficient systems, such as building management systems and renewable energy solutions, and reduce upfront costs of sustainability initiatives. This may enhance operational efficiency and support the development of low-emission product offerings, contributing to long-term revenue potential. While such initiatives have been implemented in certain markets, including solar-related projects in the United States, demand for sustainably sourced products in some regions, particularly within Asia, remains relatively limited, which may moderate near-term commercial benefits.		
			MITIGATION RESPONSE The Group will continue to monitor sustainability-related regulatory requirements and available grant programmes to identify compliance obligations and funding opportunities. Initiatives such as building management systems and broader energy management programmes may be evaluated to improve operational efficiency. Previous experience with solar-related grants in the United States demonstrates the ability to access such incentives, and these capabilities may be extended to facilities initiatives and operations, including MMUS. The Group continues to assess opportunities to integrate such programmes into its broader operational and investment planning, while acknowledging that uptake may be influenced by regional demand dynamics.		

SUSTAINABILITY REPORT

Year ended 30 June 2026

BUILDING CLIMATE RESILIENCE: ENERGY CONSUMPTION

Our approach to building climate resilience begins with managing energy consumption and GHG emissions, which are key considerations for our factory operations. We are committed to improving energy efficiency and reducing emissions where possible.

WHY IT MATTERS

Energy is a key input to our operations, supporting manufacturing processes, office activities and employee working conditions. Managing energy use helps control operating costs, particularly Cost of Goods Sold (“COGS”), and reduces the Group’s carbon footprint.

OUR APPROACH

The Group consumes electricity for machinery, lighting and air conditioning, and fuel for vehicles. Process improvements have been increasingly implemented to enhance product quality and operational efficiency in line with our Operational Excellence Strategy. These reduce scrap and rework, which in turn lowers unnecessary energy use.

Furthermore, in FY2026, we estimated S\$180k net cost savings⁴ from solar generation.

OUR INITIATIVES

- ▶ Installation of tinted windows to reduce heat gain
- ▶ Enclosure of office spaces to minimise cooling requirements
- ▶ Regular audits to detect and address air leaks
- ▶ Implementation of temperature monitoring and facility assessments
- ▶ Monitoring of electricity, fuel, compressed-air and water consumption to support data-driven improvements

FUTURE PLANS

- ▶ Improve energy efficiency at MMUS through the installation of a new high-efficiency compressor, with expected annual electricity savings of approximately 10,000 kWh (around 3%)
- ▶ Evaluate the implementation of building management systems to improve energy efficiency
- ▶ Assess broader energy management programmes for operational optimisation
- ▶ Prioritise energy efficiency improvements by focusing on high-energy-consuming systems, including heating, cooling and compressed air systems

QUANTITATIVE HIGHLIGHTS

40,563 GJ

total energy consumption (FY2026)
FY2025: 36,524 GJ⁵

+11.1%

year-on-year change

0.537

energy intensity, GJ/
revenue S\$'000
FY2025: 0.560 GJ/
revenue S\$'000

4,653 GJ

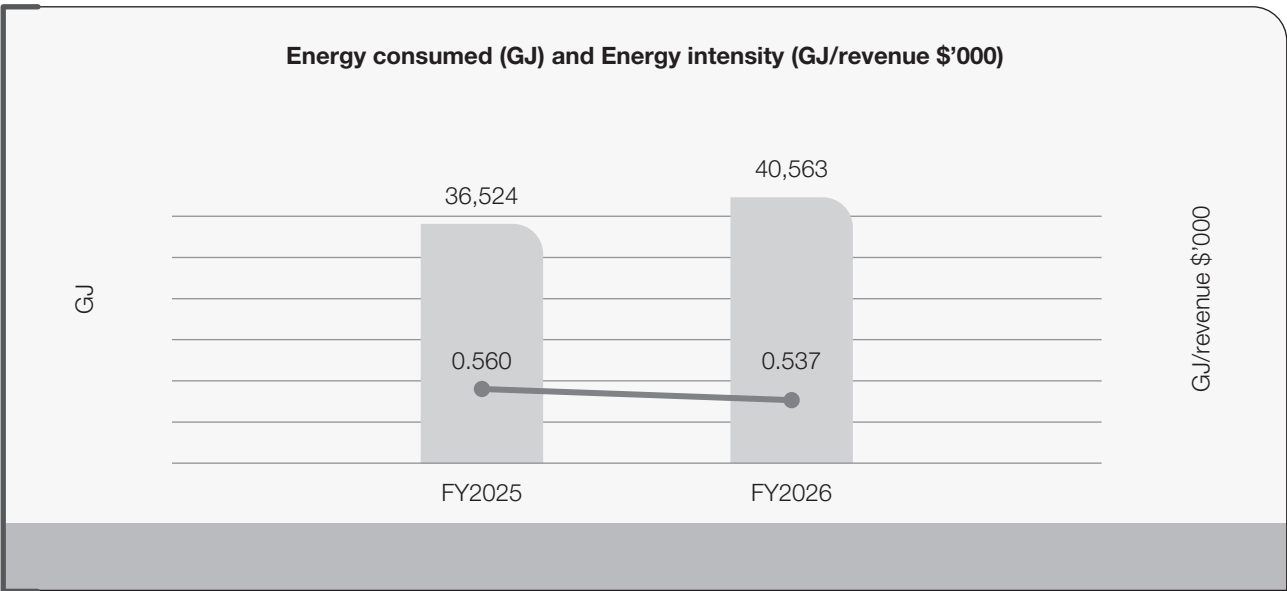
solar energy generated at
MMUS

⁴ The FY2026 average grid electricity cost was calculated by dividing total grid electricity costs by total grid electricity consumed. This rate was applied to solar generation, less annual solar fees to estimate net savings from using solar instead of the grid. The estimate excludes time-of-use, demand and fixed charges, and export-value differences; SGD amounts use US\$1 = S\$1.27.

⁵ FY2025 total energy consumption has been restated from 36,170 GJ to 36,524 GJ due to the inclusion of fuel sources from MMUS.

SUSTAINABILITY REPORT

Year ended 30 June 2026



Group-wide Energy Consumption by source (GJ)

Source	Group-wide	Share (%)
Electricity (grid)	36,959	91.1%
Fuel (petrol, diesel, natural gas)	689	1.7%
Solar (renewable, MMUS generated)	4,653	11.5%
Solar (renewable, MMUS excess supply sold to local utility)	(1,738)	(4.3%)
Total energy consumption ⁶	40,563	100%

⁶ Total energy consumption only includes the net renewable energy consumed, hence solar energy sold out of the organisation was deducted.

SUSTAINABILITY REPORT

Year ended 30 June 2026

BUILDING CLIMATE RESILIENCE: GREENHOUSE GAS EMISSIONS

WHY IT MATTERS	OUR APPROACH ⁷	QUANTITATIVE HIGHLIGHTS
Greenhouse gas (GHG) emissions arise from use of energy and fuel in our operations. Monitoring and managing emissions support regulatory compliance, help manage environmental impacts and reflect the Group's operational efficiency.	The Group accounts for Scope 1 and Scope 2 emissions and tracks emissions alongside energy consumption to monitor performance. Scope 2 emissions form a significant portion of total emissions due to electricity usage in warehouse and manufacturing operations. Scope 1 emissions include fugitive emissions from refrigerant leakage and dry ice usage, as well as mobile combustion from fuel used in Group-owned vehicles. SCOPE 1 COMPOSITION ▶ Fugitive emissions: refrigerant leakage, dry ice ▶ Mobile combustion: Group-owned vehicles ▶ Stationary combustion: Heating at MMUS SCOPE 2 COMPOSITION ▶ Purchased electricity	5,598 tCO₂e Total GHG emissions, Scope 1 and 2 FY2025: 5,729 tCO₂e⁸ 170 tCO₂e Scope 1 emissions⁹ 5,428 tCO₂e Scope 2 emissions¹⁰ 97% of total emissions 0.074 emissions intensity, tCO₂e/ revenue S\$'000 FY2025: 0.088 • 15.9% decrease

⁷ The Group has adopted the GHG Protocol's Corporate Standards to track and report our GHG emissions. The equity share approach was adopted to calculate our emissions.

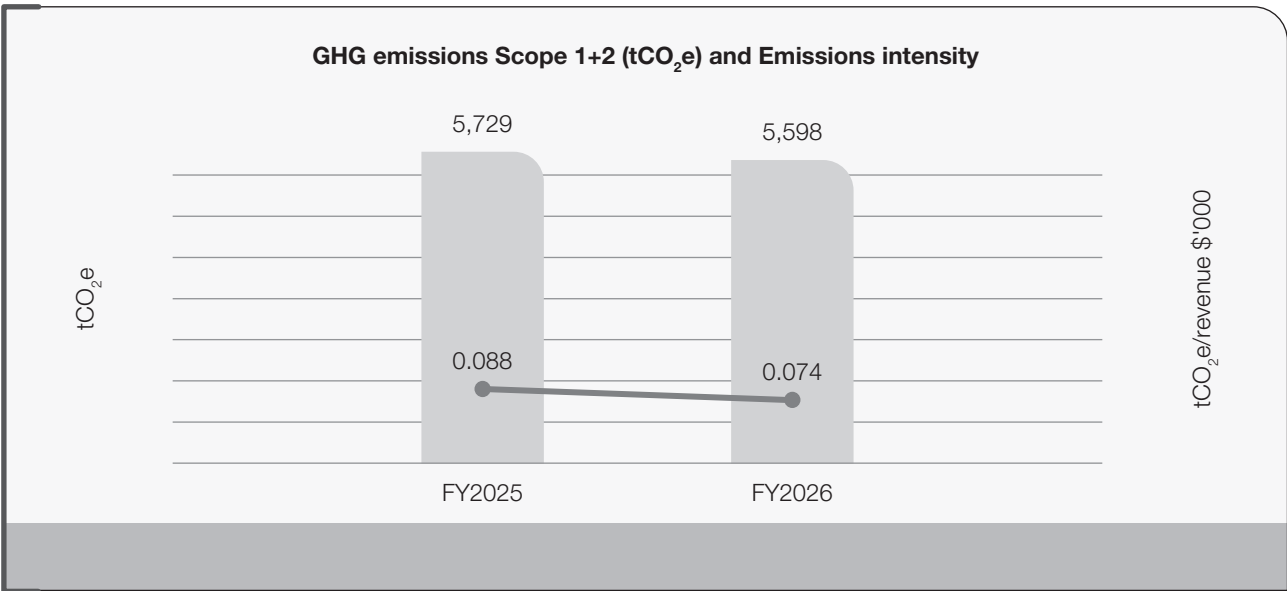
⁸ FY2025 total emissions generated has been restated from 5,706 tCO₂e to 5,729 tCO₂e due to the inclusion of Scope 1 emissions from MMUS.

⁹ Scope 1 emissions were calculated using the Singapore Emission Factors Registry (SEFR) and Energy Market Authority (EMA) factors for MMS (Singapore), and the International Energy Agency (IEA) 2024 emission factors for MMP (Malaysia), MMSU (China), MMPH (Philippines) and MMUS (United States). EPA mobile combustion factors were not applied for MMUS due to the unavailability of vehicle type and model year data. While Scope 1 fugitive emissions were calculated using DEFRA Emission Factors (2026).

¹⁰ Scope 2 emissions were calculated using country-specific grid emission factors, namely the Malaysia National Grid Emission Factor (Peninsular Malaysia 2024) for MMP, the China National Grid Emission Factor (released in 2025 for reporting year 2023) for MMSU, EPA 2025 emission factors for MMUS, and the Climatq emission factor database for MMPH (Philippines). For the Philippines, an official national grid emission factor could not be identified; therefore, the Climatq factor (based on 2019 data and published in 2020) was used as the most appropriate available source.

SUSTAINABILITY REPORT

Year ended 30 June 2026



Scope 2 emissions (location-based) by entity, tCO₂e

Entity	Country	tCO ₂ e
MMS	Singapore	1,127 ¹¹
MMSU	China	1,214
MMP	Malaysia	2,166
MMPH	Philippines	572
MMUS ¹²	United States	348
Group-wide		5,428

**Note: All figures are subject to rounding*

¹¹ Unit for MMS's Scope 2 emissions is **tCO₂e**, per EMA's GEF provided.

¹² In FY2026, MMUS newly included natural gas, petrol and diesel in their energy and emission sources. The Group will continue to enhance the completeness of their data sources.

SUSTAINABILITY REPORT

Year ended 30 June 2026

PROTECTING OUR ENVIRONMENT: WATER CONSUMPTION

At Micro-Mechanics, we aim to use resources responsibly and reduce the impact of our operations on the environment. This includes managing our water use efficiently and minimising waste through recycling and responsible disposal.

WHY IT MATTERS Water is a key input for manufacturing processes, including coolant use and cleaning. Our operations and customer activities are water-intensive, and water constraints in certain regions we operate in may affect operational continuity and supply chains. Effective water management helps reduce operational impact and supports responsible use of resources in regions where water availability is increasingly constrained.	OUR APPROACH The Group implements water conservation measures across our facilities in line with our Operational Excellence Strategy. The Group manages water consumption through monitoring, operational controls and water conservation measures across our facilities. Existing measures include water-efficient fittings, dual-flush toilets, leak repairs and regular maintenance of water systems to prevent unnecessary losses. Our main sources of water consumption are water-based facility cooling systems, an on-site kitchen, part cleaning processes and water-based coolant used in operations. Part cleaning also contributes to water consumption and wastewater generation using reverse osmosis (“RO”) filtration. OUR INITIATIVES ▶ Monitoring water usage across operations to understand consumption patterns and identify reduction opportunities ▶ Evaluating options to reduce water requirements in coolant and cleaning processes FUTURE PLANS ▶ Enhancing monitoring of major water-consuming activities, including facility cooling, on-site kitchens, part cleaning and water-based coolant, to better understand consumption patterns and identify effective reduction opportunities ▶ Evaluating and replacing an ageing, inefficient water-based cooling system with a modern, efficient system ▶ Continuing preventive maintenance and water conservation measures to minimise leaks and unnecessary water losses	QUANTITATIVE HIGHLIGHTS 18 ML Total water withdrawal (FY2026) FY2025: 14 megalitres¹³ +28.6% year-on-year increase¹⁴ 0.232 Water withdrawal intensity, ML/revenue S\$ million FY2025: 0.211 ML/revenue S\$ million • 9.9% increase
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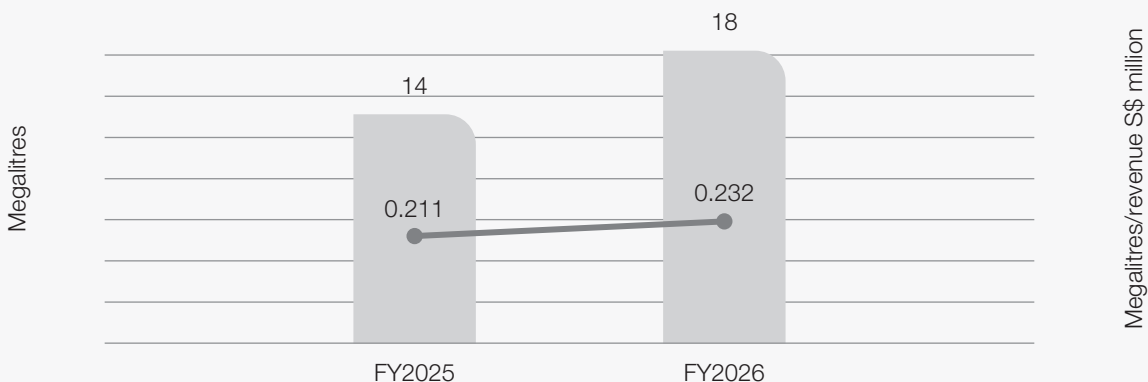
¹³ Note that total amount of water withdrawn in FY2025 has been restated from 11ML to 14ML due to the inclusion of additional water sources that were previously not accounted for. The Group intends to continue to enhance their data collection processes to ensure the completeness.

¹⁴ Note that year-on-year increase has been calculated based on the exact water withdrawal figures. The displayed water withdrawal figures in this Report have been rounded.

SUSTAINABILITY REPORT

Year ended 30 June 2026

Water withdrawal (megalitres) and Water intensity



SUSTAINABILITY REPORT

Year ended 30 June 2026

PROTECTING OUR ENVIRONMENT: WASTE

WHY IT MATTERS

Waste is generated from both manufacturing and operational activities, including hazardous and non-hazardous materials. Effective waste management helps reduce environmental impact, improve resource efficiency, and support compliance with handling requirements for different waste streams.

OUR APPROACH

The Group manages two (2) main waste streams: hazardous and non-hazardous waste from manufacturing processes, and non-hazardous waste from operational activities such as aluminium cans, plastic bottles and food containers. Waste is monitored, with efforts focused on waste reduction, recycling and proper segregation.

OUR INITIATIVES

- ▶ Waste Awareness and Recycling Programme to improve employee awareness and segregation practices
- ▶ Installation of a wastewater evaporator at MMUS to reduce the volume of waste coolant (hazardous waste) requiring disposal
- ▶ Maintain and enhance recycling efforts for aluminium scrap generated at MMUS. The scrap metal is generated mainly from aluminium machining operations in the form of chips, shavings, and offcuts, with occasional contributions from rejected parts. The material is collected in designated bins and sent to an ISO 14001:2015-certified recycler for recovery and recycling.

FUTURE PLANS

- ▶ The Group plans to sell waste by-products generated from its factories to further improve waste handling practices and operational efficiency.

QUANTITATIVE HIGHLIGHTS

298 t

Total waste generated (FY2026)¹⁵

FY2025: 188 tonnes¹⁶

255 t

Amount of waste recycled FY2025: 142 tonnes¹⁷

43 t

Amount of waste disposed

3.937

waste intensity, tonnes/revenue S\$ million

FY2025: 2.890 tonnes/revenue S\$'million¹⁸

¹⁵ Reported total waste generated does not fully account for all scrap metal generated in MMUS during the reporting period and currently includes only quantities of scrap metal recycled. We are working to improve waste data collection and reporting processes to ensure more complete coverage in subsequent reporting cycles.

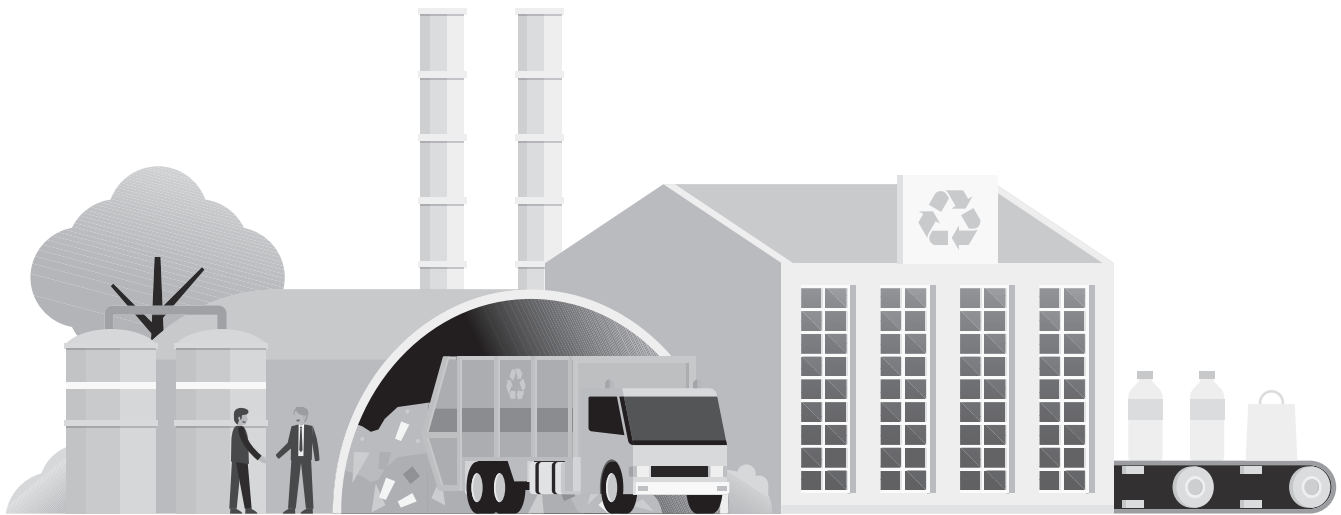
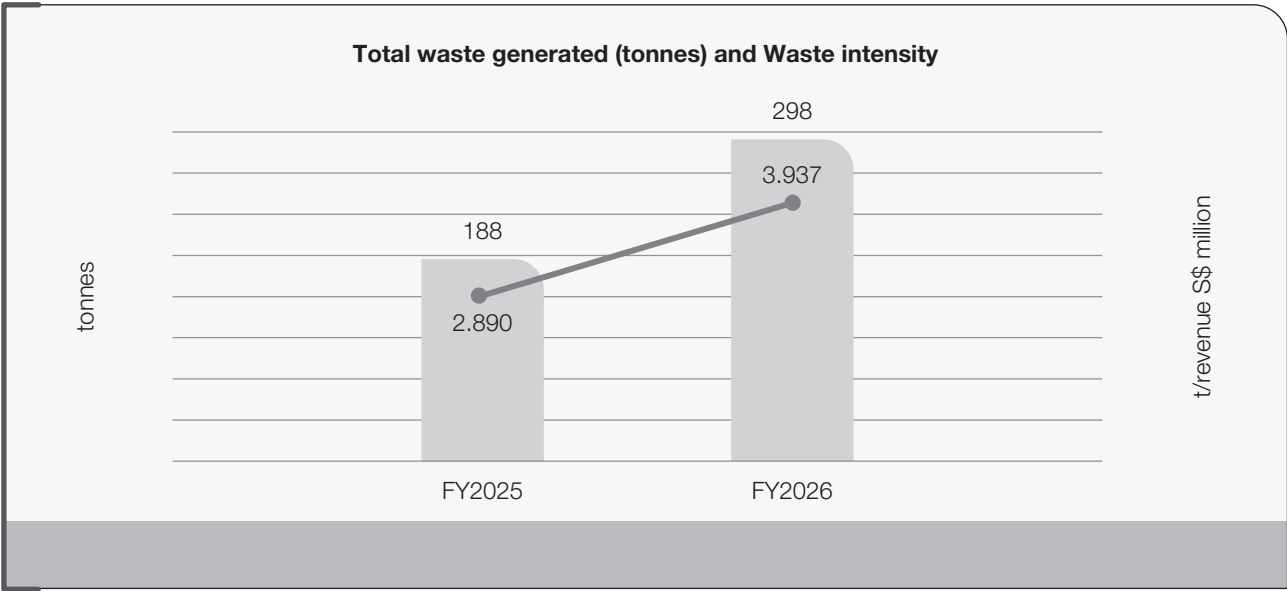
¹⁶ FY2025 total amount of waste generated has been restated from 56.19 tonnes to 188 tonnes due to the inclusion of recycling data from MMUS.

¹⁷ FY2025 total amount of waste recycled has been restated from 10.02 tonnes to 142 tonnes due to the inclusion of recycling data from MMUS.

¹⁸ FY2025 waste intensity has been restated from 0.862 tonnes/revenue'000 000 to 2.890 tonnes/revenue'000 000 due to the inclusion of recycling data from MMUS.

SUSTAINABILITY REPORT

Year ended 30 June 2026



03 High-Performance Teams

Caring for our People

Fair Employment and
Diversity

Training and Education

Workplace Health and
Safety

CARING FOR OUR PEOPLE

Our people are at the heart of our Group's success. We are committed to creating a fair and supportive workplace where our employees feel valued and respected. This includes promoting fair employment practices, embracing diversity and inclusion, and providing training and education to help our workforce develop their skills.

Fair Employment Practices, Diversity and Equal Opportunities

WHY IT MATTERS

Employees support the Group's operations and long-term growth. Fair employment practices, diversity and equal opportunity contribute to workforce stability, support merit-based progression, and help maintain a respectful and inclusive work environment.

OUR APPROACH

In line with our focus on High-Performance Teams, the Group applies fair employment principles across recruitment, retention and advancement. Employees are assessed based on skills, knowledge and competencies, regardless of age, gender, race, national origin or religion. Compensation and recognition are linked to performance and contributions.

OUR INITIATIVES

- ▶ Across the Group, employee engagement is fostered through various appreciation and team-building initiatives, including annual Dinner and Dance events and festive celebrations such as MMS's Chinese New Year luncheon.
- ▶ Through the School Improvement Programme in MMP, employees engaged in volunteer and donation activities that supported local schools while promoting teamwork, employee engagement and community involvement. More details can be found in the next section.
- ▶ These initiatives reflect the Group's commitment to cultivating an inclusive workplace culture, enhancing employee well-being, and creating positive social impact within the communities where it operates.

QUANTITATIVE HIGHLIGHTS

525

total number of permanent employees (FY2026)

17.0%

new hire rate¹⁹
89 new hires

12.0%

turnover rate
63 turnovers

5

Board members
3 independent •
2 non-independent •
4 male •
1 female

¹⁹ New employee hire rate is calculated by taking the total number of employees hired during the reporting period, divided by the total number of employees who remained employed at the Group during the reporting period x 100%.

SUSTAINABILITY REPORT

Year ended 30 June 2026

WORKFORCE BY AGE AND GENDER

■ Male ■ Female ■ Below 30 ■ Between 30 to 50 ■ Above 50



Number of Employees

MMP's Initiative: School Improvement Programme

During FY2026, our Malaysia facility partnered with a local school to improve educational and community facilities through employee volunteer efforts and donated resources.

Contributions included computers, whiteboards, a projector, books, hygiene supplies and upgrades to learning and community spaces. Employees worked alongside school staff to enhance the environment for students and the broader community. The initiative strengthened employee engagement while supporting local education and social development.

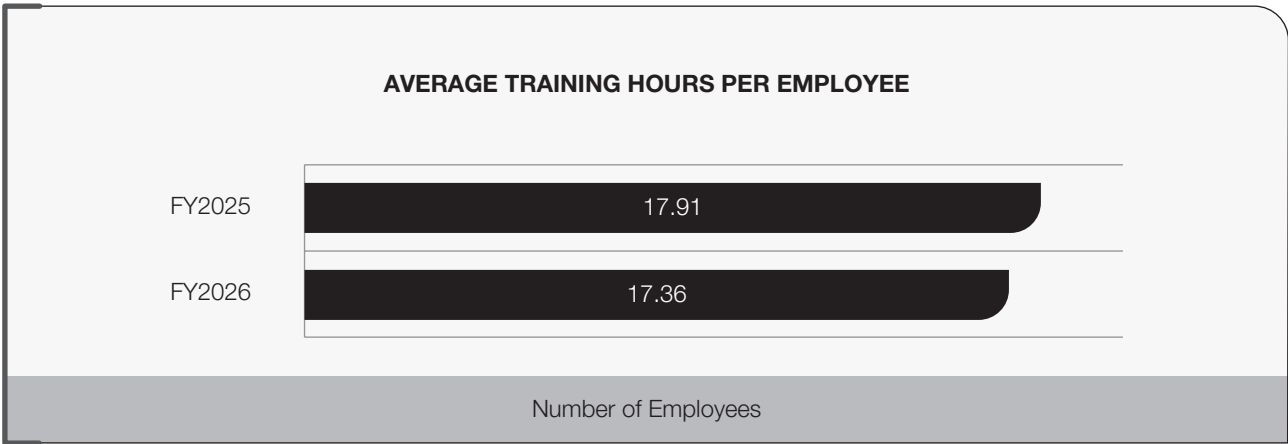


SUSTAINABILITY REPORT

Year ended 30 June 2026

TRAINING AND EDUCATION

WHY IT MATTERS	OUR APPROACH	QUANTITATIVE HIGHLIGHTS
Training and development support employee performance, capability building and career progression, thereby contributing to operational effectiveness, workforce retention and stronger High-Performance Teams.	The Group conducts biannual performance and career development reviews, which include personalised skill development plans for employees. These reviews combine performance evaluation with the identification of training needs to support job effectiveness. Training programmes focus on both technical and core competencies required for employees' roles. Mandatory and supplementary training includes occupational health and safety, anti-bribery, quality management systems and first aid. The Group also sources technical courses to support the acquisition of relevant skills and technologies.	9,111 Total training hours (FY2026) 17.36 Average training hours per employee²⁰ FY2025: 17.91 hours • 3.1% decrease 16.46 18.16 Average training hours, Male Female



MANDATORY TRAINING CURRICULUM

Occupational Health and Safety	Anti-Bribery	Quality Management Systems	First Aid
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²⁰ Average training hours took into account employees who have left during the reporting period.

SUSTAINABILITY REPORT

Year ended 30 June 2026

WORKPLACE HEALTH AND SAFETY

The Group is committed to providing a safe and healthy workplace for all employees. We actively manage risks, promote safety awareness, and foster a culture where well-being is a shared responsibility.

WHY IT MATTERS

A safe and clean working environment supports employee well-being, reduces workplace injuries and associated costs, and contributes to stable and efficient operations.

OUR APPROACH

The Group has established a management framework across its manufacturing facilities to maintain a safe and organised workplace. This includes the 8S System, which is based on Toyota's 5S Lean Management methodology and expanded with three additional elements: "Shrink", "Safety" and "Sync". The framework supports quality, cost control and workplace safety, and is aligned with the legal requirements of the jurisdictions in which the Group operates.

Each manufacturing facility has an in-house 8S team responsible for implementing and maintaining the system. These teams are led by an 8S President, who communicates health and safety policies and conducts quarterly audits of the work environment.

Employees are encouraged to report safety issues, near misses and concerns to enable timely corrective action. As part of this effort, in FY2026 we modified select machinery to automatically stop when an operator comes too close to a hazardous area, helping prevent potential safety incidents. We are continuing to identify other high-impact opportunities to integrate additional safety measures into our processes.

QUANTITATIVE HIGHLIGHTS

0.566

Rate of recordable work injuries²¹ (FY2026)
FY2025: 0.608

3

Total recordable work injuries²²

ZERO

Total number of fatalities

ZERO

Total number of high-consequence work-related injuries

Rate of recordable work-related injuries



²¹ Rate of recordable work-related injuries is calculated as the Number of recordable work-related injuries/Number of hours worked * 200,000.

²² All recordable work injuries are categorised as minor work-related injuries.

SUSTAINABILITY REPORT

Year ended 30 June 2026

THE 8S SYSTEM

Toyota's 5S Lean Management methodology, extended with three Micro-Mechanics elements.

SORT	SET IN ORDER	SHINE	STANDARDISE
SUSTAIN	SHRINK +	SAFETY +	SYNC +

ESG PERFORMANCE SUMMARY

Governance and Environmental

Metric	Unit of Measurement	Group-wide	MMS	MMSU	MMUS	MMP	MMPH
GOVERNANCE: Anti-Corruption							
Total number of confirmed incidents of corruption	Number	0	0	0	0	0	0
ENVIRONMENTAL: Energy Consumption							
Total energy consumption ²³	GJ	40,563	10,216	7,044	9,469	10,537	3,297
Total fossil fuel (non-renewable) consumption	GJ	689	122	0	251	0	317
Total electricity consumption	GJ	36,959	10,095	7,044	6,303	10,537	2,980
Total solar energy (renewable) generated ²⁴	GJ	4,653	0	0	4,653	0	0
Total solar energy (renewable) sold	GJ	1,738	0	0	1,738	0	0
Total energy intensity	GJ/revenue S\$'000	0.537	NA	NA	NA	NA	NA
Total fuel consumption intensity	GJ/revenue S\$'000	0.009	NA	NA	NA	NA	NA
Total electricity intensity	GJ/revenue S\$'000	0.489	NA	NA	NA	NA	NA

²³ Per GRI 302, Total energy consumed = Non-renewable fuel consumed + Renewable fuel consumed + Electricity, heating, cooling and steam purchased for consumption + Self-generated electricity, heating, cooling and steam which are not consumed – Electricity, heating, cooling, steam sold.

²⁴ MMUS consumed a total of 2,915 GJ (809,645 kWh) of solar energy. The remaining 1,738 GJ (482,745 kWh) was sold back to the national grid.

SUSTAINABILITY REPORT

Year ended 30 June 2026

Metric	Unit of Measurement	Group-wide	MMS	MMSU	MMUS	MMP	MMPH
ENVIRONMENTAL: GHG Emissions							
Total GHG emissions (Scope 1 & 2)	tCO ₂ e	5,598	1,171	1,214	368	2,248	596
Total Scope 1 emissions	tCO ₂ e	170	44	0	20	82	24
Fugitive emissions	tCO ₂ e	117	35	0	0	82	0
Stationary combustion emissions	tCO ₂ e	9	0	0	9	0	0
Mobile combustion emissions	tCO ₂ e	44	9	0	11	0	24
Total Scope 2 emissions (location-based)	tCO ₂ e	5,428	1,127	1,214	348	2,166	572
Total Scope 2 emissions (market-based)	tCO ₂ e	5,428	1,127	1,214	348	2,166	572
Total emissions (Scope 1 & 2) intensity	tCO ₂ e/revenue S\$'000	0.074	NA	NA	NA	NA	NA

* All values in the ESG Performance Summary are subject to rounding.

Environmental

Metric	Unit of Measurement	Group-wide	MMS	MMSU	MMUS	MMP	MMPH
ENVIRONMENTAL: Water Consumption							
Total water withdrawal	megalitres	18	1	2	3	11	1
Total water discharged	megalitres	17	1	2	2	11	1
Total water consumed	megalitres	1	0	0	1	0	0
Total water intensity	Megaliters/revenue S\$'million	0.232	NA	NA	NA	NA	NA
ENVIRONMENTAL: Waste Generated							
Total waste generated	Tonnes	298	7	25	225	3	38
Hazardous	Tonnes	50	7	18	2	3	20
Non-hazardous	Tonnes	248	0	7	223	0	18
Total waste diverted from disposal (recycled)	Tonnes	255	2	7	223	3	20
Hazardous	Tonnes	15	2	0	0	3	10
Non-hazardous	Tonnes	240	0	7	223	0	10
Total waste directed to disposal	Tonnes	43	5	18	2	0	18
Hazardous	Tonnes	35	5	18	2	0	10
Non-hazardous	Tonnes	8	0	0	0	0	8
Total waste intensity	Tonnes/revenue S\$'million	3.937	NA	NA	NA	NA	NA

* All values in the ESG Performance Summary are subject to rounding.

SUSTAINABILITY REPORT

Year ended 30 June 2026

Social

Metric	Unit of Measurement	Group-wide	MMS	MMSU	MMUS	MMP	MMPH
Employees							
Total number of permanent employees	Number	525	137	112	44	149	83
Male	Number	276	69	71	32	64	40
Female	Number	249	68	41	12	85	43
Management	Number	50	18	15	3	10	4
Non-management	Number	475	119	97	41	139	79
Below 30 years old	Number	101	40	19	4	23	15
Between 30 and 50 years old	Number	324	69	90	15	94	56
Above 50 years old	Number	100	28	3	25	32	12
New Employees							
New employee hire rate ²⁵	Rate	17.0%	17.5%	25.9%	15.9%	18.1%	2.4%
Male	Rate	10.7%	10.2%	17.0%	13.6%	10.1%	2.4%
Female	Rate	6.3%	7.3%	8.9%	2.3%	8.1%	0.0%
Below 30 years old	Rate	6.3%	5.8%	9.8%	2.3%	8.7%	0.0%
Between 30 and 50 years old	Rate	9.5%	10.2%	16.1%	9.1%	8.7%	1.2%
Above 50 years old	Rate	1.1%	1.5%	0.0%	4.5%	0.7%	1.2%

Metric	Unit of Measurement	Group-wide	MMS	MMSU	MMUS	MMP	MMPH
Turnovers							
Turnover rate	Rate	12.0%	13.1%	8.9%	2.3%	15.4%	13.3%
Male	Rate	6.7%	5.1%	8.0%	2.3%	8.7%	6.0%
Female	Rate	5.3%	8.0%	0.9%	0.0%	6.7%	7.2%
Below 30 years old	Rate	3.8%	6.6%	2.7%	0.0%	3.4%	3.6%
Between 30 and 50 years old	Rate	7.2%	5.8%	6.3%	0.0%	10.7%	8.4%
Above 50 years old	Rate	1.0%	0.7%	0.0%	2.3%	1.3%	1.2%

²⁵ New employee hire rate is calculated by taking the total number of employees hired during the reporting period, divided by the total number of employees who remained employed at the Group during the reporting period × 100%.

SUSTAINABILITY REPORT

Year ended 30 June 2026

Metric	Unit of Measurement	Group-wide	MMS	MMSU	MMUS	MMP	MMPH
Training Hours							
Total hours of training given to employees	Hours	9111	2054	1953	605	2632	1867
Average hours of training given to employees	Hours	17.36	14.99	17.43	13.75	17.67	22.50
Male	Hours	16.46	11.97	17.55	10.66	16.82	23.44
Female	Hours	18.16	17.98	17.37	14.91	18.80	21.48
Occupational Health and Safety							
Number of fatalities as a result of work-related injury	Number	0	0	0	0	0	0
Number of high-consequence work-related injuries	Number	0	0	0	0	0	0
Number of recordable work-related injuries	Number	3	2	0	1	0	0
Rate of recordable work-related injuries	Rate	0.566	NA	NA	NA	NA	NA

ESG TARGETS

We are in the process of refining our ESG goals to align with evolving regulatory requirements and business priorities. The updated targets will be disclosed in our next Report.

SUSTAINABILITY REPORT

Year ended 30 June 2026

GRI STANDARDS CONTENT INDEX

Statement of use	Micro-Mechanics (Holdings) Ltd has reported with reference to the GRI Standards 2021 for the period from 1 July 2025 to 30 June 2026
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI Standards/ Other Source	Disclosure		Location
General Disclosures			
GRI 2: General Disclosures 2021	2-1	Organisational details	Annual Report
	2-2	Entities included in the organisation's sustainability reporting	Page 23
	2-3	Reporting period, frequency and contact point	Page 22
	2-4	Restatements of information	Page 23
	2-5	External Assurance	Page 23
	2-6	Activities, value chain and other business relationships	Annual Report
	2-7	Employees	Page 47-48, 53
	2-8	Workers who are not employees	Page 47-48, 53
	2-9	Governance structure and composition	Corporate Governance Report
	2-10	Nomination and selection of the highest governance body	Corporate Governance Report
	2-11	Chair of the highest governance body	Corporate Governance Report
	2-12	Role of the highest governance body in overseeing the management of impacts	Page 28, 29
	2-13	Delegation of responsibility for managing impacts	Page 28-29
	2-14	Role of the highest governance body in sustainability reporting	Page 28-29
	2-15	Conflicts of interest	Corporate Governance Report
	2-16	Communication of critical concerns	Page 30
	2-17	Collective knowledge of the highest governance body	Page 28-29

SUSTAINABILITY REPORT

Year ended 30 June 2026

GRI Standards/ Other Source	Disclosure		Location
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report
	2-19	Remuneration policies	Corporate Governance Report
	2-20	Process to determine remuneration	Corporate Governance Report
	2-21	Annual total compensation ratio	Confidential
	2-22	Statement on sustainable development strategy	Page 28-29
	2-23	Policy commitments	Page 31
	2-24	Embedding policy commitments	Page 22-28
	2-25	Processes to remediate negative impacts	Annual Report
	2-26	Mechanisms for seeking advice and raising concerns	Annual Report
	2-27	Compliance with laws and regulations	Page 22-28
	2-28	Membership associations	The Group is a member of the Singapore Precision Engineering & Technology Association
	2-29	Approach to stakeholder engagement	Page 25-27
	2-30	Collective bargaining agreements	The Group is not involved in any form of collective bargaining agreements
Focus Areas			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Page 25-27
	3-2	List of material topics	Page 27
Integrity and Governance – DO IT RIGHT!			
GRI 3: Material Topics 2021	3-3	Management of material topic	Page 28-30
GRI 205: Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	Page 30
Environmental Stewardship through Operational Excellence			
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 27, 39, 41, 43, 45
GRI 302: Energy	302-1	Energy consumption within the organisation	Page 39, 40, 51
	302-3	Energy intensity	Page 39-40
	302-4	Reduction of energy consumption	Page 39-40

SUSTAINABILITY REPORT

Year ended 30 June 2026

GRI Standards/ Other Source	Disclosure		Location
GRI 303: Water and Effluents	303-2	Management of water discharge-related impacts	Page 43
	303-3	Water withdrawal	Page 43, 44, 52
	303-4	Water discharge	Page 43, 52
	303-5	Water consumption	Page 43, 52
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	Page 41, 52
	305-2	Energy indirect (Scope 2) GHG emissions	Page 41, 42, 52
	305-4	GHG emissions intensity	Page 41-42
	305-5	Reduction of GHG emissions	Page 41
GRI 306: Waste	306-1	Waste generation and significant waste-related impacts	Page 45
	306-2	Management of significant waste-related impacts	Page 45-46
	306-3	Waste generated	Page 45, 46, 52
	306-4	Waste diverted from disposal	Page 45, 52
	306-5	Waste directed to disposal	Page 45, 52
High-Performance Teams			
GRI 3: Material Topics 2021	3-3	Management of material topic	Page 47, 49, 50, 26, 27
GRI 401: Employment	401-1	New employee hires and employee turnover	Page 47, 53
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	Page 50
	403-2	Hazard identification, risk assessment, and incident investigation	Page 50
	403-5	Worker training on occupational health and safety	Page 49
	403-9	Work-related injuries	Page 50, 54
GRI 404: Training and Education	404-1	Average hours of training per year per employee	Page 49, 54
	404-2	Programs for upgrading employee skills	Page 49
	404-3	Percentage of employees receiving regular performance and career development reviews	Page 26, 49
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Page 47, 53

SUSTAINABILITY REPORT

Year ended 30 June 2026

IFRS ISSB CONTENT INDEX

GOVERNANCE			
Pillar	Guidance	Source	Relevant Sections
Governance	a) Governance body(s) or individual(s) responsible for oversight of climate-related risks and opportunities	IFRS S2 6(a)(i)-(v)	Focus 1: Sustainability Governance (Page 49) • Focus 2: Climate Governance (Page 28)
	b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	IFRS S2 6(b)(i)-(ii)	Focus 1: Sustainability Governance (page 28) • Focus 2: Climate Governance (Page 31)

STRATEGY			
Pillar	Guidance	Source	Relevant Sections
Strategy	a) The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects	IFRS S2 10-12	Climate Strategy and Business Resilience (Page 31-38)
	b) The current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain	IFRS S2 13	Climate Strategy and Business Resilience (Page 31-38)
	c) The effects on the entity's strategy and decision-making, including information about its climate-related transition plan	IFRS S2 14	Climate Strategy and Business Resilience (Page 31-38)
	d) The effects on the entity's financial position, financial performance and cash flows for the reporting period and anticipated effects over the short, medium and long term	IFRS S2 15-21	Climate Strategy – Basis of Preparation (Page 31-38)
	e) The climate resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties	IFRS S2 22-23	Climate Strategy – NGFS Scenarios (Page 32)

MICRO-MECHANICS (HOLDINGS) Ltd

investors@micro-mechanics.com

CORPORATE GOVERNANCE

The Board of Directors (the “**Board**”) of Micro-Mechanics (Holdings) Ltd. (the “**Company**”) and management are committed to ensure that high standards of corporate governance are practiced throughout the Company and its subsidiaries (the “**Group**”), as a fundamental part of its responsibilities to protect and enhance shareholders’ value and the financial performance of the Group.

This report outlines the Group’s corporate governance practices that were in place during the financial year ended 30 June 2026 (“**FY2026**”) with specific reference made to the Principles of Code of Corporate Governance 2018 (“**Code 2018**”) and the disclosure guide developed by SGX-ST in January 2015 (the “**Guide**”) and the new requirements implemented by the SGX-ST taking into effect from 11 January 2023, where applicable to the Company. The Group strives to comply with the provisions set out in Code 2018 and the Guide and where it has deviated from the Code 2018 and/or the Guide, appropriate explanations are provided.

The Group also ensures that all applicable laws, rules and regulations including the Securities and Futures Act 2001 of Singapore (“**Securities and Futures Act**”) and the SGX-ST Listing Manual are duly complied with.

Provision	Code Description	Company’s Compliance or Explanation
General	(a) Has the Company complied with all the principles and provisions of the new Code? If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	The Company has complied with the principles and provisions as set out in the Code 2018 and the Guide, where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code 2018 and/or the Guide.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the provisions of the Code?	Not applicable. The Company did not adopt any alternative corporate governance practices.

CORPORATE GOVERNANCE

GOVERNANCE AT A GLANCE – FY2026

BOARD STRUCTURE	INDEPENDENCE	LEADERSHIP
5 DIRECTORS	60% INDEPENDENT	SEPARATE CHAIRMAN & CEO
2 Executive Directors (40%)	3 of 5 Directors are Independent Directors	Clear separation of leadership and management responsibilities
3 Independent Directors (60%)	All Independent Directors have no relationships, including immediate family relationships, with the other Directors, the Company, its related corporations and/or substantial shareholders	Lead Independent Director in place

BOARD COMMITTEES	DIVERSITY	RELATIONSHIPS
3 BOARD COMMITTEES	DIVERSE BOARD COMPOSITION	EXECUTIVE DIRECTORS
ARC • NC • RC	Gender • Age • Nationality Female representation: 1 of 5 (20%)	Executive Chairman and CEO are father and son
All members, including the respective Chairpersons, are Independent Directors Independent Board Committee Chairperson: 100%	Diverse professional backgrounds and expertise across legal, accounting/finance and engineering	Roles of Chairman and CEO remain separate

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation																		
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.																				
1.1	Directors' duties and responsibilities	All Directors objectively discharge their duties and responsibilities as fiduciaries and take decisions in the best interests of the Group at all times. The Board puts in place a code of conduct and ethics, set desired organisational culture and ensures proper accountability within the Group. The Board has clear policies and procedures for dealing with conflicts of interest. Where the Director faces a conflict of interest, he or she would recuse himself or herself from discussions and decisions involving the issues of conflict. The Board is entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company. In addition to its statutory duties, the Board oversees the management of the Company (the "Management") and affairs of the Group's business and oversees processes for evaluating the adequacy and effectiveness of the Group's internal controls and risk management systems. It focuses on strategies and policies, with particular attention paid to growth and financial performance. The Board works with the Management to achieve this, and the Management remains accountable to the Board. Each Director has objectively discharged his/her duties and responsibilities, at all times as fiduciaries in the interests of the Company. As at the date of this Report, the Board comprises five (5) members as follows: Table 1.1 – Composition of the Board <table> <tr> <th>Name of Director</th><th>Designation</th><th>Appointment Date</th></tr> <tr> <td>Mr. Christopher Reid Borch ("Mr. Chris Borch")</td><td>Chairman and Executive Director</td><td>25 June 1996</td></tr> <tr> <td>Mr. Kyle Christopher Borch ("Mr. Kyle Borch")</td><td>Executive Director and Chief Executive Officer ("CEO")</td><td>1 January 2023</td></tr> <tr> <td>Mr. Kenny Kwan Yew Kwong ("Mr. Kenny Kwan")</td><td>Lead Independent Director</td><td>14 June 2019</td></tr> <tr> <td>Mr. Kazuo Jozeph Takeda ("Mr. Kazuo Takeda")</td><td>Independent Director</td><td>1 November 2023</td></tr> <tr> <td>Ms. Chua Siew Hwi ("Ms. Chua Siew Hwi")</td><td>Independent Director</td><td>1 April 2024</td></tr> </table>	Name of Director	Designation	Appointment Date	Mr. Christopher Reid Borch ("Mr. Chris Borch")	Chairman and Executive Director	25 June 1996	Mr. Kyle Christopher Borch ("Mr. Kyle Borch")	Executive Director and Chief Executive Officer ("CEO")	1 January 2023	Mr. Kenny Kwan Yew Kwong ("Mr. Kenny Kwan")	Lead Independent Director	14 June 2019	Mr. Kazuo Jozeph Takeda ("Mr. Kazuo Takeda")	Independent Director	1 November 2023	Ms. Chua Siew Hwi ("Ms. Chua Siew Hwi")	Independent Director	1 April 2024
Name of Director	Designation	Appointment Date																		
Mr. Christopher Reid Borch ("Mr. Chris Borch")	Chairman and Executive Director	25 June 1996																		
Mr. Kyle Christopher Borch ("Mr. Kyle Borch")	Executive Director and Chief Executive Officer ("CEO")	1 January 2023																		
Mr. Kenny Kwan Yew Kwong ("Mr. Kenny Kwan")	Lead Independent Director	14 June 2019																		
Mr. Kazuo Jozeph Takeda ("Mr. Kazuo Takeda")	Independent Director	1 November 2023																		
Ms. Chua Siew Hwi ("Ms. Chua Siew Hwi")	Independent Director	1 April 2024																		

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
1.2	Induction, Training and Development	The Company provides a comprehensive orientation programme to familiarise new Directors with the Company's businesses, accounting control policies, procedures and internal control policies and procedures, including an overview of the written policies and procedures in relation to the financial, operational and compliance controls; as well as the Group's history, core values, strategic direction and industry-specific knowledge so as to assimilate them into their new roles. New directors will also meet with the Management team to gain a better understanding of the Group's business operations. Newly appointed Directors who do not have prior experience as a director of a public listed company in Singapore will attend the relevant training courses such as those organised by the Singapore Institute of Directors as prescribed by the SGX-ST and pursuant to Rule 210(5)(a) and Practice Note 2.3 of the Listing Manual within one year from the date of their appointment, as well as other courses relating to accounting, legal and industry-specific knowledge, where appropriate, organised by other training institutions, in connection with their duties, and such trainings will be funded by the Company. There was no new Director appointed during FY2026. The Directors are updated regularly when there are changes to the Listing Manual, Code 2018, insider trading and the key changes in the relevant regulatory requirements and international financial reporting standards and the relevant laws and regulations to facilitate effective discharge of their fiduciary duties as Board or Board Committees members. New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("ACRA") which are relevant to the Directors are circulated to the Board by the Company Secretary. All Directors are required to undertake at least 8 hours of continuous learning each year to maintain, develop or deepen their skills and knowledge of the Company's business and the business, economic and regulatory environment in which the Group operates, so as to better discharge their duties and responsibilities as Directors. The Company bears the costs of such continuous development, including relevant seminars and training programmes. In FY2026, all Directors confirmed that they had fulfilled this requirement. The Directors had attended various training and professional development programmes covering areas such as corporate governance, strategy and risk management, sustainability, cybersecurity, artificial intelligence and technology, industry developments, and leadership and operational excellence.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		In addition, Management closely monitors changes in regulations and accounting standards and regularly updates and familiarises the Directors on the Group's business and operations at Board and Board Committee meetings. The external auditors ("EA") also brief the Audit and Risk Committee ("ARC") and the Board on relevant changes and amendments to accounting standards. Pursuant to Rule 720(7) of the Listing Manual (which took effect on 1 January 2022), all directors must undergo training on sustainability matters as prescribed by the SGX-ST. As at the date of this report, all the directors of the Company have attended the mandatory sustainability training.
1.3	Matters reserved for the Board	As fiduciaries, all Directors are expected to discharge their duties and responsibilities objectively, in good faith and at all times in the best interests of the Company. The Board believes that its primary role is to protect and enhance long-term shareholder value whilst taking into account all stakeholders' interests and being a responsible corporate citizen. To this end, it sets the overall strategy for the Company and its subsidiaries (collectively, the "Group") and oversees management. To fulfil these objectives, the Board takes full responsibility for implementing and maintaining sound, sustainable and ethical corporate governance practices for the Group. The Board provides leadership, sets strategic direction, establishes a framework of prudent and effective controls, risk policies and procedures, and requires goals from management as well as monitors the achievement of those goals. During FY2026, as was in the past years, besides having carried out its statutory responsibilities, the Board performed the following role: • decides on matters in relation to the Group's activities and business plans which are of significant nature, including approvals of annual budgets, investments, capital expenditures and funding decisions; • provides leadership and guide in the formulation of the Group's overall long-term strategic plans/directions and performance objectives; • oversees risk management and monitor and evaluate the adequacy and effectiveness of the Group's internal control processes, financial reporting and compliance, including the release of financial results and announcements of material transactions; • oversees the business affairs of the Company and monitor the performance of the management and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		• approves the nominations to the Board and appointments to the various Board committees; • approves the framework of remuneration for the Board and key management personnels as recommended by the Remuneration Committee; • assumes responsibilities for good corporate governance and is responsible for setting the right 'tone at the top' in its policies and decisions to ensure that the Company's corporate values and ethical standards are observed and there is proper accountability throughout the Group and that the obligations to its shareholders and other stakeholders are clearly understood and met; • provides oversight in the proper conduct of the Group's business, including putting in place a code of conduct and ethics, setting appropriate tone-from-the-top and desired organisational culture and ensuring proper accountability within the Group; and • considers sustainability issues, including the integration of sustainability-related matters and the monitoring of sustainability related risks and opportunities, as part of its long-term strategy formulation. The Company has a code of conduct and ethics which are incorporated into the Company's handbook. All employees including executive directors have to strictly comply with the code of conduct and ethics. Orientation training is also conducted for new employees to ensure an understanding of the Company's culture as well as its code of conduct and ethics. Directors are required to and do abstain from discussion and decision making on any matters relating to themselves. This is to avoid any conflict of interests. For example, an Executive Director whose remuneration is being approved will not be party to the discussions of the Remuneration Committee or the Board in this regard and a retiring director is not included in discussions relating to that Director's suitability for re-election or independence. All related parties' transactions are fully disclosed and approved by the Board and the directors involved will abstain from the approval process.

CORPORATE GOVERNANCE

Provision	Code Description	Company’s Compliance or Explanation																
1.4 and Rule 210(5)(e) of the Listing Manual	Board Committees	To assist in the execution of its responsibilities, the Board is supported by three board committees, namely the Audit and Risk Management Committee (“ARC”), Nominating Committee (“NC”) and the Remuneration Committee (“RC”) (collectively “Board Committees”). As the Board retains ultimate responsibility on all decisions, all matters discussed at the Board Committee meetings are presented and reported to the Board for approval prior to its implementation. The Board Committees function within clearly defined terms of reference and operating procedures, and they also play an important role in ensuring good corporate governance in the Company and within the Group. The terms of reference of the Board Committees are reviewed by the Board from time to time to enhance the effectiveness of these Board Committees. The terms of reference of the respective Board Committees, as well as other relevant information on the Board Committees, can be found in the subsequent sections, of this Report. As at the date of this Report, the composition of the Board Committees is as follows: Table 1.4 – Composition of the Board Committees <table><tr><th>Position</th><th>Audit and Risk Committee (ARC)</th><th>Nominating Committee (NC)</th><th>Remuneration Committee (RC)</th></tr><tr><td>Chairperson</td><td>Chua Siew Hwi</td><td>Kazuo Jozeph Takeda</td><td>Kenny Kwan Yew Kwong</td></tr><tr><td>Member</td><td>Kenny Kwan Yew Kwong</td><td>Kenny Kwan Yew Kwong</td><td>Kazuo Jozeph Takeda</td></tr><tr><td>Member</td><td>Kazuo Jozeph Takeda</td><td>Chua Siew Hwi</td><td>Chua Siew Hwi</td></tr></table> Note: Each of the ARC, NC and RC comprise three (3) members, all of whom, including the respective Chairperson, are Independent Directors.	Position	Audit and Risk Committee (ARC)	Nominating Committee (NC)	Remuneration Committee (RC)	Chairperson	Chua Siew Hwi	Kazuo Jozeph Takeda	Kenny Kwan Yew Kwong	Member	Kenny Kwan Yew Kwong	Kenny Kwan Yew Kwong	Kazuo Jozeph Takeda	Member	Kazuo Jozeph Takeda	Chua Siew Hwi	Chua Siew Hwi
Position	Audit and Risk Committee (ARC)	Nominating Committee (NC)	Remuneration Committee (RC)															
Chairperson	Chua Siew Hwi	Kazuo Jozeph Takeda	Kenny Kwan Yew Kwong															
Member	Kenny Kwan Yew Kwong	Kenny Kwan Yew Kwong	Kazuo Jozeph Takeda															
Member	Kazuo Jozeph Takeda	Chua Siew Hwi	Chua Siew Hwi															

CORPORATE GOVERNANCE

Provision	Code Description	Company’s Compliance or Explanation																																																	
1.5	Board and Board Committees meetings	The Board will meet at least four times in a financial year, including on an ad-hoc basis, if required, to review and discuss the performance and strategic direction of the Group, approve the quarterly, half-yearly and full-year results announcements and oversee the business affairs of the Group. Additional meetings are convened as and when necessary to consider specific or significant matters requiring the Board’s attention and decision. The calendar of all the Board and Board Committees’ meetings are scheduled in advance. The Board is free to seek clarification and information from the Management on all matters within their purview. Ad-hoc meetings are convened as may be necessary to address any specific significant matters that may arise. The Constitution of the Company and terms of reference for each individual Board Committee allow the Directors to participate in Board and Board Committees meetings to be held by means of telephonic, video conferencing or other communication facilities to communicate with each other simultaneously and instantaneously. Important matters concerning the Group are also put to the Board for its decision by way of written resolutions. During FY2026, the Board held five (5) Board meetings and all Directors have achieved full attendance at the Board and Board Committees’ meetings. The number of Board and Board Committee meetings held and the attendance of each Director at such meetings are set out below: Board, Board Committee and General Meetings Attendance – FY2026 <table><tr><th>Director/meetings</th><th>Board</th><th>ARC</th><th>RC</th><th>NC</th><th>AGM</th><th>EGM</th></tr><tr><td>Number of meetings held</td><td>5</td><td>5</td><td>3</td><td>1</td><td>1</td><td>1</td></tr><tr><td>Christopher Reid Borch</td><td>5</td><td>5*</td><td>3*</td><td>1*</td><td>1</td><td>1</td></tr><tr><td>Kyle Christopher Borch</td><td>5</td><td>5*</td><td>3*</td><td>1*</td><td>1</td><td>1</td></tr><tr><td>Kenny Kwan Yew Kwong</td><td>5</td><td>5</td><td>3</td><td>1</td><td>1</td><td>1</td></tr><tr><td>Kazuo Jozeph Takeda</td><td>5</td><td>5</td><td>3</td><td>1</td><td>1</td><td>1</td></tr><tr><td>Chua Siew Hwi</td><td>5</td><td>5</td><td>3</td><td>1</td><td>1</td><td>1</td></tr></table> <i>* Attendance by invitation of the relevant Board Committee.</i>	Director/meetings	Board	ARC	RC	NC	AGM	EGM	Number of meetings held	5	5	3	1	1	1	Christopher Reid Borch	5	5*	3*	1*	1	1	Kyle Christopher Borch	5	5*	3*	1*	1	1	Kenny Kwan Yew Kwong	5	5	3	1	1	1	Kazuo Jozeph Takeda	5	5	3	1	1	1	Chua Siew Hwi	5	5	3	1	1	1
Director/meetings	Board	ARC	RC	NC	AGM	EGM																																													
Number of meetings held	5	5	3	1	1	1																																													
Christopher Reid Borch	5	5*	3*	1*	1	1																																													
Kyle Christopher Borch	5	5*	3*	1*	1	1																																													
Kenny Kwan Yew Kwong	5	5	3	1	1	1																																													
Kazuo Jozeph Takeda	5	5	3	1	1	1																																													
Chua Siew Hwi	5	5	3	1	1	1																																													

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
	Multiple board representation	Directors with multiple Board representations would ensure that sufficient time and attention are given to the affairs of the Company. During FY2026, the NC has reviewed the multiple board representations of each Director and noted that the Directors who hold multiple board representations have adequately carried out their duties as Directors of the Company and have devoted sufficient time and attention to the affairs of the Group.
1.6	Board information	The Management provides the Board with complete and adequate information, normally at least one week in advance of meetings and on an on-going basis to enable the Directors to properly consider the matters before them, make timely decisions, effectively discharge their duties, and assess the performance, position and prospects of the Company. Key information comprises, among others, properly organised board papers (with background or explanatory information relating to the matters brought before the Board, where necessary), updates to Group operations and the markets in which the Group operates in, budgets and/or forecasts, management accounts, external audit reports and reports on ongoing or planned corporate actions. Where the situation requires, Directors are entitled to request for additional information from Management and such information are provided to the Directors in a timely manner.
1.7	Board's access	The Board has separate and independent access to the Senior Management team, external advisers (where necessary) at the Company's expense and the Company Secretary at all times. The Company Secretary and/or her representative(s) attend(s) all Board and Board Committees meetings. The responsibilities of the Company Secretary include advising the Board on governance matters, facilitating the process of appointments of new Directors and assisting the Chairperson of the Board and Board Committees, in ensuring proper procedures are followed and that the Company complies with the Companies Act 1967 of Singapore, the Company's Constitution, the Listing Manual and other applicable rules and regulations. The Company Secretary will also provide the Board with updates on regulations and legislations that the Company is required to comply with, as required. The appointment and removal of the Company Secretary is subject to the approval of the Board as a whole. Where decisions to be taken by the Board require specialised knowledge or expert opinion, the Directors may direct the Company to appoint external advisers to enable the Directors to discharge their responsibilities effectively, the cost of which will be borne by the Company.

CORPORATE GOVERNANCE

Provision	Code Description	Company’s Compliance or Explanation										
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.												
2.1 and Rule 1207(10B) and 210(5)(d)	Board composition – independence and diversity	As at the date of this Report, the Company remains compliant with Provision 2 of the Code 2018. There is a strong and independent element on the Board. As the date of this report, the Board comprises five (5) members, out of which two (2) are Executive Directors and three (3) are Independent Directors. Independent Directors make up a majority of the Board and the Chairperson and members of all Board Committees consist of Independent Directors. <table><tr><td>Christopher Reid Borch</td><td>Executive Chairman</td></tr><tr><td>Kyle Christopher Borch</td><td>Executive Director & CEO</td></tr><tr><td>Kenny Kwan Yew Kwong</td><td>Lead Independent Director</td></tr><tr><td>Chua Siew Hwi</td><td>Independent Director</td></tr><tr><td>Kazuo Jozeph Takeda</td><td>Independent Director</td></tr></table> The Chairman of the Board is an Executive Director. Mr. Christopher Borch and Mr. Kyle Borch are father and son respectively. The Board assesses the independence of each Director in accordance with the guidance provided in the Code 2018 as well as Rule 210(5)(d) of the Listing Manual. An Independent Director is 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 his/her independent business judgement in the best interests of the Company. Under Rule 210(5)(d) of the Listing Manual, a director will not be independent (i) if such individual is employed by the issuer or any of its related corporations in the current or any of the past three financial years; (ii) if such individual has any immediate family member who is employed or has been employed by the issuer or any of its related corporations in the current or any of the past three financial years, and whose remuneration is or was determined by the remuneration committee of the issuer; or (iii) if such individual has been a director of the issuer for an aggregate period of more than nine 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.	Christopher Reid Borch	Executive Chairman	Kyle Christopher Borch	Executive Director & CEO	Kenny Kwan Yew Kwong	Lead Independent Director	Chua Siew Hwi	Independent Director	Kazuo Jozeph Takeda	Independent Director
Christopher Reid Borch	Executive Chairman											
Kyle Christopher Borch	Executive Director & CEO											
Kenny Kwan Yew Kwong	Lead Independent Director											
Chua Siew Hwi	Independent Director											
Kazuo Jozeph Takeda	Independent Director											

CORPORATE GOVERNANCE

Provision	Code Description	Company’s Compliance or Explanation																														
		On an annual basis, each Independent Director is required to complete a “Confirmation of Independence” form to confirm his/her independence. The said form was drawn up based on the definitions and guidelines set forth in the Code 2018. The Directors are required to disclose to the Board any such relationship as and when it arises, and the Board will state the reasons if it determines that a director is independent notwithstanding the existence of a relationship or circumstances which may appear relevant to the Board’s determination. The NC will also examine the different relationships identified by the Code 2018 that might impair each Independent Director’s independence and objectivity and conclude that all the Independent Directors are able to exercise independent business judgement in the best interests of the Company and its shareholders. For FY2026, the Independent Directors have confirmed their independence in accordance with the Code 2018 and Rule 210(5)(d) of the Listing Manual. BOARD & COMMITTEE COMPOSITION <table><tr><th>Director</th><th>Board designation</th><th>ARC</th><th>RC</th><th>NC</th></tr><tr><td>Christopher Reid Borch</td><td>Executive Chairman</td><td>–</td><td>–</td><td>–</td></tr><tr><td>Kyle Christopher Borch</td><td>Executive Director & CEO</td><td>–</td><td>–</td><td>–</td></tr><tr><td>Kenny Kwan Yew Kwong</td><td>Lead Independent Director</td><td>Member</td><td>Chairman</td><td>Member</td></tr><tr><td>Kazuo Jozeph Takeda</td><td>Independent Director</td><td>Member</td><td>Member</td><td>Chairman</td></tr><tr><td>Chua Siew Hwi</td><td>Independent Director</td><td>Chairperson</td><td>Member</td><td>Member</td></tr></table> The NC is of the view that the Independent Directors, as a whole, represent a strong and independent element on the Board which is able to exercise objective judgement on corporate affairs independently from the Non-Independent and Executive Director(s). As at the date of this Report, the NC has reviewed the independence status of the Independent Directors and is satisfied that Mr. Kenny Kwan, Mr. Kazuo Takeda and Ms. Chua Siew Hwi are independent in accordance with Provision 2.1 of the Code 2018 and Rule 210(5)(d) of the Listing Manual.	Director	Board designation	ARC	RC	NC	Christopher Reid Borch	Executive Chairman	–	–	–	Kyle Christopher Borch	Executive Director & CEO	–	–	–	Kenny Kwan Yew Kwong	Lead Independent Director	Member	Chairman	Member	Kazuo Jozeph Takeda	Independent Director	Member	Member	Chairman	Chua Siew Hwi	Independent Director	Chairperson	Member	Member
Director	Board designation	ARC	RC	NC																												
Christopher Reid Borch	Executive Chairman	–	–	–																												
Kyle Christopher Borch	Executive Director & CEO	–	–	–																												
Kenny Kwan Yew Kwong	Lead Independent Director	Member	Chairman	Member																												
Kazuo Jozeph Takeda	Independent Director	Member	Member	Chairman																												
Chua Siew Hwi	Independent Director	Chairperson	Member	Member																												

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		Each member of NC has abstained from deliberations in respect of the assessment of his/her own independence.
	Independent Directors serving beyond nine years	There is currently no Independent Director who has served on the Board for more than nine years.
2.2	Independent Directors	As the Chairman of the Board is an Executive Director and an immediate family member of the CEO, Independent Directors of the Company make up a majority of the Board. The Company complies with Provision 2.2 of the Code 2018. As at the date of this Report, the Board comprises two (2) Executive Directors and three (3) Independent Directors. Mr. Kenny Kwan has also been appointed as the Lead Independent Director of the Company and makes himself available to shareholders if they have concerns relating to matters that contact through the Chairman of the Board, CEO and/or Senior VP Finance ("SVP Finance") has failed to resolve, or where such contact is inappropriate or inadequate. The Lead Independent Director makes himself available to shareholders at the Company's general meetings and he can be contacted via the following email: kennykwan@micro-mechanics.com. The Lead Independent Director has the authority and is responsible for calling and lead meetings of the Independent Directors, when necessary and appropriate. Led by the Lead Independent Director, the Independent Directors will communicate regularly without the presence of the Executive Director(s) and Management to discuss matters such as board processes, corporate governance initiatives succession and leadership development planning, and remuneration matters. Feedback on the outcomes of these discussions will be provided to the Non-Executive Chairman and/or the Board after such meetings. The Lead Independent Director also acts as a sounding board to the CEO on matters of business strategies and investment opportunities of the Company. The Lead Independent Director will represent the Independent Directors in responding to shareholders' questions and comments that are directed to the Independent Directors as a group and at General Meetings of the Company.
2.3	Non-Executive Directors	To facilitate a more effective review of Management, the Non-Executive Independent Director(s) will communicate on an ad-hoc basis without the presence of the Management and Executive Director(s) to discuss Management's performance and any matters of concern. The Company complies with Provision 2.3 of the Code 2018 as the Independent Directors make up a majority of the Board.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
2.4	Board size and diversity	The size and composition of the Board and Board Committees are reviewed at least annually, to ensure that the Board and the Board Committees have the appropriate mix of expertise, skills, knowledge, experience and gender diversity to enhance stewardship and decision-making capabilities. The Board recognises the value of diversity and is committed to ensuring diversity on the Board and Board Committees including but not limited to appropriate balance and mix of skills, knowledge, experience, gender, age, tenure and the core competencies of accounting, finance, legal and regulatory, business or management experience, industry knowledge, technical skills and know-how and strategic planning, to better support the Company's achievement of its strategic objectives, long-term sustainable development, success in an ever-evolving operating environment, foster constructive deliberations and to avoid groupthink. The Company has in place a Board Diversity Policy which provides that, in reviewing the composition of the Board and succession planning, the NC shall consider the benefits of diversity in its broadest sense, including gender, nationality and ethnicity, age, professional background, skills, knowledge and experience, having regard to the Group's business needs, strategic objectives and the optimal size of the Board. The Company seeks to progressively enhance Board diversity while maintaining flexibility to ensure that diversity objectives do not compromise Board effectiveness or the merit-based selection of Directors. The Board currently comprises three (3) Independent Directors and two (2) Executive Directors. Its members bring diverse professional backgrounds and expertise, including legal, accounting and finance, engineering, management and industry experience, as well as diversity in gender, age and nationality.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation																					
		DIVERSITY TARGETS & PROGRESS The Company's diversity objectives and progress are summarised below: <table> <tr> <th>Diversity Area</th><th>Objective/Target</th><th>FY2026 Position/Progress</th></tr> <tr> <td>Gender</td><td>Maintain at least one female Director on the Board</td><td>Achieved – 1 of 5 Directors (20%) is female and is also the ARC Chairperson</td></tr> <tr> <td>Independence</td><td>Maintain an appropriate balance of Executive and Independent Directors and maintain or increase the proportion of Independent Directors as the Board evolves</td><td>Achieved – 3 of 5 Directors (60%) are Independent Directors</td></tr> <tr> <td>Nationality & Ethnicity</td><td>Maintain international and multicultural perspectives and consider such diversity in Board recruitment</td><td>Board comprises Directors of different nationalities and backgrounds</td></tr> <tr> <td>Skills & Experience</td><td>Maintain an appropriate mix of professional, business, financial, legal, management and technical competencies; conduct an annual skills matrix review to identify gaps and guide future appointments</td><td>Board possesses complementary competencies across legal, accounting/finance, engineering, management and industry experience</td></tr> <tr> <td>Age/Generational Diversity</td><td>Consider generational diversity as part of Board composition and succession planning</td><td>Board comprises Directors across different age groups of early thirties to early seventies who have served the Board for different tenures</td></tr> <tr> <td>Board Renewal</td><td>NC to periodically assess the need for progressive Board renewal, having regard to the Company's strategic and governance requirements</td><td>Reviewed as part of the NC's ongoing Board composition and succession planning process</td></tr> </table> Gender Diversity The Company recognises the importance and value of gender diversity and is committed to equality and equal opportunity in its selection and appointment processes at all levels of the organisation, including the Board. The Company seeks to maintain at least one (1) female Director on the Board and, where external search consultants are engaged for Board appointments, will require female candidates to be included for consideration.	Diversity Area	Objective/Target	FY2026 Position/Progress	Gender	Maintain at least one female Director on the Board	Achieved – 1 of 5 Directors (20%) is female and is also the ARC Chairperson	Independence	Maintain an appropriate balance of Executive and Independent Directors and maintain or increase the proportion of Independent Directors as the Board evolves	Achieved – 3 of 5 Directors (60%) are Independent Directors	Nationality & Ethnicity	Maintain international and multicultural perspectives and consider such diversity in Board recruitment	Board comprises Directors of different nationalities and backgrounds	Skills & Experience	Maintain an appropriate mix of professional, business, financial, legal, management and technical competencies; conduct an annual skills matrix review to identify gaps and guide future appointments	Board possesses complementary competencies across legal, accounting/finance, engineering, management and industry experience	Age/Generational Diversity	Consider generational diversity as part of Board composition and succession planning	Board comprises Directors across different age groups of early thirties to early seventies who have served the Board for different tenures	Board Renewal	NC to periodically assess the need for progressive Board renewal, having regard to the Company's strategic and governance requirements	Reviewed as part of the NC's ongoing Board composition and succession planning process
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Board Renewal	NC to periodically assess the need for progressive Board renewal, having regard to the Company's strategic and governance requirements	Reviewed as part of the NC's ongoing Board composition and succession planning process																					

CORPORATE GOVERNANCE

Provision	Code Description	Company’s Compliance or Explanation																																										
		<i>Nationality and Ethnicity</i> The Company values diversity in nationality and ethnicity, recognising that Directors from different backgrounds contribute different knowledge, perspectives and insights into the environments in which the Group operates. The Company will continue to consider international and multicultural perspectives in Board recruitment. <i>Skills and Experience</i> The Board’s selection process takes into account the diversity of skills and experience appropriate to the Group’s business needs and the discharge of the Board’s responsibilities. The Board seeks to maintain an appropriate mix of financial, legal, management, technical, industry and other relevant competencies, and includes Directors with international business experience in Asia and Europe. The Company conducts an annual skills matrix review to identify gaps in the collective competencies of the Board and to guide future Board appointments and succession planning. <i>Directors’ Skills/Competency Matrix</i> <table><tr><th>Director</th><th>Business/ Management</th><th>Industry/ Technical</th><th>Accounting/ finance</th><th>Legal/ regulatory</th><th>Strategy/ corporate</th><th>Risk/ Controls</th></tr><tr><td>Christopher Reid Borch</td><td>√</td><td>√</td><td></td><td></td><td>√</td><td></td></tr><tr><td>Kyle Christopher Borch</td><td>√</td><td>√</td><td></td><td></td><td>√</td><td></td></tr><tr><td>Kenny Kwan Yew Kwong</td><td>√</td><td></td><td></td><td>√</td><td>√</td><td></td></tr><tr><td>Kazuo Jozeph Takeda</td><td>√</td><td>√</td><td></td><td></td><td></td><td>√</td></tr><tr><td>Chua Siew Hwi</td><td>√</td><td></td><td>√</td><td></td><td>√</td><td>√</td></tr></table> <i>The matrix is a high-level summary of the principal competencies represented on the Board and should be read together with the Directors’ profiles at pages 16 to 17.</i>	Director	Business/ Management	Industry/ Technical	Accounting/ finance	Legal/ regulatory	Strategy/ corporate	Risk/ Controls	Christopher Reid Borch	√	√			√		Kyle Christopher Borch	√	√			√		Kenny Kwan Yew Kwong	√			√	√		Kazuo Jozeph Takeda	√	√				√	Chua Siew Hwi	√		√		√	√
Director	Business/ Management	Industry/ Technical	Accounting/ finance	Legal/ regulatory	Strategy/ corporate	Risk/ Controls																																						
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Chua Siew Hwi	√		√		√	√																																						

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		<i>Age and Generational Diversity</i> The Company recognises the benefits of having Directors from different generations, combining experience and institutional knowledge with the perspectives required to navigate an evolving business environment. The Company will continue to monitor the age profile of the Board and consider generational diversity as part of its succession planning. The NC will continue to review the Board Diversity Policy and the composition of the Board to ensure that they remain appropriate and effective and will recommend changes or new appointments to the Board where appropriate. The Board, in concurrence with the NC, is of the view that the current composition of the Board and Board Committees provides an appropriate balance and diversity of skills, competencies, experience, knowledge and perspectives to support effective decision-making and meet the Group's needs. Board appointments will continue to be made on merit, while having regard to the Company's diversity objectives and the benefits of diverse perspectives in enhancing Board deliberations and mitigating groupthink. Having regard to the foregoing, the Board, in concurrence with the NC, is of the view that the current Board size of five (5) Directors is adequate, having regard to the Group's current stage of growth, and that the composition of the Board and Board Committees is appropriate and effective, taking into account the scope and nature of the Company's operations and the Group's expansion plans. No individual Director or small group of Directors dominates the Board's decision-making. The NC will periodically review the Board Diversity Policy, including the relevant criteria and targets, and recommend to the Board such changes or additional targets as may be appropriate, having regard to the Group's evolving business needs, growth plans and corporate strategy. Key information on the Directors is set out at pages 16 to 17 of this Annual Report. The Directors' shareholdings in the Company are disclosed in the Directors' Statement at page 124.

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Provision	Code Description	Company's Compliance or Explanation
2.5	Regular meetings for Independent and Non-Executive Directors	Where appropriate, the Independent and Non-Executive Directors meet periodically without the presence of the Executive Director(s) to discuss concerns or matters such as the effectiveness of the Management and provides feedback to the Board, as appropriate, after such meetings. Independent Directors fulfil a pivotal role in corporate accountability. Their presence is particularly important as they provide unbiased and independent views, advice and judgement to take care of the interests, not only of the Company but also of the shareholders, employees, customers, suppliers and the many communities with which the Company conducts business with.
CHAIRMAN AND CHIEF EXECUTIVE OFFICER <i>Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered power of decision-making.</i>		
3.1, 3.2 and 3.3	Separation of the roles of Chairman and CEO	The Chairman and the CEO are separate persons. Mr. Chris Borch is the Executive Chairman of the Board and Mr. Kyle Borch is the CEO. Mr. Chris Borch and Mr. Kyle Borch are father and son respectively. The roles of the Chairman and the CEO are separate and distinct, each having their own areas of responsibilities. The distinctive separation of responsibilities between the Chairman and the CEO had ensured an appropriate balance of power, increased accountability and greater capacity for the Board to exercise independent decision-making. 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 executives responsible for managing the Company's business. Even though the Chairman and the CEO are related to one another, the Board has a strong independent group of Directors to look after shareholders' interests. The Company has also appointed Mr. Kenny Kwan as the Lead Independent Director. The major responsibilities of the Executive Chairman are: • to ensure that Board meetings are held when necessary to enable the Board to perform its duties and facilitate the Company's operations; • to set Board meeting agendas in consultation with the company secretary and the executive directors; • to review all Board papers;

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Provision	Code Description	Company's Compliance or Explanation
		- to provide adequate, timely and relevant materials and Board papers to the Board members to help ensure the quality, quantity and timeliness of the flow of information between management and the Board; - to ensure the Company practices effective communications with shareholders; - to assist in ensuring compliance with the Company's guidelines on corporate governance; and - to propose new members to be appointed to the Board with consultation with the NC. The CEO is responsible for the overall management, operations, strategic planning and business expansion of the Group. He oversees the execution of the Group's corporate and business strategies and the day-to-day operations of the Group. His performance and appointment to the Board will be reviewed periodically by the NC and his remuneration package is reviewed by the RC. The Board is of the view that there is a clear division of responsibilities between the Chairman and the CEO which ensures that there is an appropriate balance of power, increased accountability and sufficient capacity of the Board for independent decision making.
BOARD MEMBERSHIP		
<i>Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.</i>		
4.1	Nominating Committee ("NC") role	The NC's written terms of reference, which describe its major responsibilities, are: - to make recommendations to the Board on the re-nomination of retiring directors standing for re-election at the Company's AGM, having regard to the directors' contributions and performance; - to determine annually whether or not an independent director is independent; - to determine whether a director is able to and has been adequately carrying out that director's duties as a director of the Company; - to establish guidelines on what a reasonable and maximum number of directorships and principal commitments for each Director shall be;

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		• where a Director has multiple board representations, to decide whether the Director is able to and has been adequately carrying out his/her duties as Director, taking into consideration the Director's number of listed company board representation and other principal commitments; • to ensure that disclosure of key information relating to directors is in the annual reports as required by the Code; • to review and make recommendations to the Board on the training and professional development programmes for the Board and the directors; • to decide how the Board's performance may periodically be evaluated against objective criteria; • to review the Board's succession plan, in particular, the appointment and/or replacement of the Chairman, CEO and key management personnel; and • to develop a process for the evaluation of the Board's performance as a whole, that of its Committees and when appropriate, its individual members. The NC evaluates the performance and effectiveness of the Board as a whole, and each of the Board Committees and contribution of the Chairman and each individual Director to the effectiveness of the Board, for each financial year. The Chairman acts on the results of the performance evaluation of the Board of Directors, and in consultation with the NC, propose, where appropriate, new members to be appointed to the Board of Directors or seek the resignation of Directors. Each member of the NC abstains from voting, approving or making a recommendation on any resolutions of the NC in which he/she has a conflict of interest in the subject matter under consideration.
4.2	Nominating Committee composition	As at the date of this Report, the NC comprises three (3) Independent Directors who have been tasked with the authority and responsibility to review and evaluate the performance of the Board as a whole and each of the Board Committees. The Chairman of the NC, Mr. Kazuo Takeda, is an Independent Director. The composition of the NC is as follows: Mr. Kazuo Jozeph Takeda (Chairman) Mr. Kenny Kwan Yew Kwong Ms. Chua Siew Hwi

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation										
4.3, 4.4 and Rule 720(5)	Director appointment and re-appointment	<i>Director's appointment</i> The NC conducts an annual review of the balance, diversity and size of the Board to determine whether any changes are required in relation to the Board composition. Where new Directors are required, the NC will identify the key attributes that an incoming Director should have, which is based on a matrix of the attributes of the existing Board and the requirements of the Group. After the Board endorsed the key attributes, the NC taps on the resources of the Directors' network and/or engage external professional bodies or consultants to source for potential candidates. The NC will interview the candidates and shortlisted candidates are recommended to the Board for consideration and approval. <table><tr><th colspan="2">Table 4.3(a) – Selection and Appointment of New Directors</th></tr><tr><td>Determine selection criteria</td><td> In consultation with the Board, identifies the current needs and gaps in the current competencies at the Board level and which could be enhanced to complement and strengthen the Board. Determines the competencies required for the new appointment after such deliberation </td></tr><tr><td>Candidate search</td><td> Considers candidates proposed by the Directors, key management personnels and/or recommendations from professional bodies. The NC may also engage external search consultants where necessary. </td></tr><tr><td>Assesses shortlisted candidates</td><td>Led by the NC Chairman, meets and interviews the shortlisted candidates to assess their suitability.</td></tr><tr><td>Proposes recommendations</td><td>Makes recommendations for the Board's consideration and approval.</td></tr></table>	Table 4.3(a) – Selection and Appointment of New Directors		Determine selection criteria	In consultation with the Board, identifies the current needs and gaps in the current competencies at the Board level and which could be enhanced to complement and strengthen the Board. Determines the competencies required for the new appointment after such deliberation	Candidate search	Considers candidates proposed by the Directors, key management personnels and/or recommendations from professional bodies. The NC may also engage external search consultants where necessary.	Assesses shortlisted candidates	Led by the NC Chairman, meets and interviews the shortlisted candidates to assess their suitability.	Proposes recommendations	Makes recommendations for the Board's consideration and approval.
Table 4.3(a) – Selection and Appointment of New Directors												
Determine selection criteria	In consultation with the Board, identifies the current needs and gaps in the current competencies at the Board level and which could be enhanced to complement and strengthen the Board. Determines the competencies required for the new appointment after such deliberation											
Candidate search	Considers candidates proposed by the Directors, key management personnels and/or recommendations from professional bodies. The NC may also engage external search consultants where necessary.											
Assesses shortlisted candidates	Led by the NC Chairman, meets and interviews the shortlisted candidates to assess their suitability.											
Proposes recommendations	Makes recommendations for the Board's consideration and approval.											

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation									
		<table border="1"> <thead> <tr> <th colspan="3">Table 4.3(b) – Re-election of Incumbent Directors</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Assesses incumbent Director</td><td>Assesses the performance of the Director in accordance with the performance criteria approved by the Board. Considers the current needs of the Board.</td></tr> <tr> <td>2.</td><td>Proposes re-appointment of Director</td><td>Recommends the re-appointment of the Director to the Board for its consideration and approval, subject to its satisfactory assessment.</td></tr> </tbody> </table> After reviewing and considering NC's recommendations, the Board would make the decision to appoint the new Director and/or propose the re-election of the incumbent Director for shareholders' approval, subject to the Director's consent to act. Director re-appointment Pursuant to Rule 720(5) of the Listing Manual, all Directors must submit themselves for re-nomination and re-appointment at least once every three (3) years. Pursuant to Regulation 97 of the Company's Constitution, at each Annual General Meeting ("AGM"), at least one-third of the Directors for the time being are required to retire by rotation and submit themselves for re-election at each AGM of the Company at regular intervals and at least once every three (3) years. In addition, pursuant to Regulation 103 of the Company's Constitution, new Directors appointed during the financial year, either to fill a casual vacancy or as an additional Director, are required to submit themselves for re-election at the next AGM. On the nomination of re-election of retiring Directors, the NC would assess the performance and contribution of the Director and subject to the NC's satisfactory assessment, the NC would recommend the proposed re-election of the Directors to the Board for its consideration and approval. Pursuant to the provisions under Regulation 97, Mr. Kazuo Takeda and Ms. Chua Siew Hwi are subject to retirement and re-election by rotation at the forthcoming AGM ("Retiring Directors"). The Retiring Directors have offered themselves for re-election at the forthcoming AGM.	Table 4.3(b) – Re-election of Incumbent Directors			1.	Assesses incumbent Director	Assesses the performance of the Director in accordance with the performance criteria approved by the Board. Considers the current needs of the Board.	2.	Proposes re-appointment of Director	Recommends the re-appointment of the Director to the Board for its consideration and approval, subject to its satisfactory assessment.
Table 4.3(b) – Re-election of Incumbent Directors											
1.	Assesses incumbent Director	Assesses the performance of the Director in accordance with the performance criteria approved by the Board. Considers the current needs of the Board.									
2.	Proposes re-appointment of Director	Recommends the re-appointment of the Director to the Board for its consideration and approval, subject to its satisfactory assessment.									

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		The NC, with the Retiring Directors concerned abstaining from the deliberations, had recommended and the Board had nominated Mr. Kazuo Takeda and Ms. Chua Siew Hwi for re-election pursuant to Regulation 97, for shareholders' approval at the forthcoming AGM. Mr. Kazuo Takeda will, upon re-election as a Director, remain as Chairman of the NC and a member of the ARC and RC. Ms. Chua Siew Hwi will, upon re-election as a Director, remain as Chairperson of the ARC and a member of the NC and RC. The Board, with the concurrence of the NC, having considered the independence criteria set out in the Code and Rule 210(5) (d) of the Listing Manual, considers Mr. Kazuo Takeda and Ms. Chua Siew Hwi to be independent. Please refer to the Notice of AGM for the resolutions put forth in relation to the re-election and details of the Retiring Directors, including the information required under Appendix 7.4.1 of the Listing Manual, are disclosed at pages 117 to 123 of this annual report. The NC assesses the suitability of shortlisted candidates and ensures that they understand the expectations, duties, responsibilities and time commitment associated with the role before recommending the most suitable candidate to the Board for consideration and appointment. This process is intended to ensure that the Board continues to maintain appropriate composition and remains in compliance with the relevant Listing Manual and the principles and provisions of the Code, in particular to meet the minimum requirement under Rule 210(5)(c) of the Listing Manual that requires independent directors to make up at least one-third of the Board. The NC also conducts an annual review of the independence of the Directors having regard to the circumstances set forth in Provision 2.1 of the Code 2018 and Rule 210(5)(d) of the Listing Manual. Sufficient information will accompany all resolutions for the Directors' appointments and/or re-appointments to enable the Board to make informed decisions.

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Provision	Code Description	Company's Compliance or Explanation
		Policy on Independence of Independent Directors The Company is committed to maintaining a strong independent element on the Board and has established a policy and process for assessing the independence of its Independent Directors, having regard to the independence criteria set out in the Code. Under the policy, the NC conducts an annual assessment of each Independent Director to determine whether the Director is independent in character and judgement and whether there are any relationships or circumstances which could materially affect, or be perceived to affect, the Director's independent judgement or ability to discharge his or her duties objectively. As part of the assessment, each Independent Director is required annually to complete and confirm a declaration of independence, which is reviewed by the other members of the NC. In assessing independence, the NC considers all relevant facts and circumstances, including any familial, business, financial, employment or other relationships with the Company, its related corporations, substantial shareholders or officers which could interfere, or be perceived to interfere, with the Director's independent judgement. All NC members have abstained from the voting or review of any matters in connection with the assessment of his/her performance or re-election as a Director of the Company.
4.5	Multiple Directorships	The NC is responsible for reviewing the ability of Directors to devote sufficient time and attention to the affairs of the Company and in particular to take into account multiple directorships and significant principal commitments held by the Directors. The Board had imposed that a director may hold not more than four (4) directorships in listed companies including the Company. At the end of the financial year under review, all Directors have complied with this restriction. The NC requires each Director to declare any new additional directorships or significant principal commitments during the year to enable the ongoing monitoring of the conflict of interests, time commitment, attendance and contributions of the Directors to the Company. The NC and the Board are satisfied that the other directorships and principal commitments of the Directors had not hindered them from carrying out their duties as Directors of the Company and each of them is able to and has adequately carried out his/her duties as a Director of the Company since their appointments.

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Provision	Code Description	Company's Compliance or Explanation
		The specific considerations in assessing the capacity of directors include: • Expected and/or competing time commitments of Directors, including whether such commitment is a full-time or part-time employment capacity • Geographical location of Directors; • Size and composition of the Board; • Nature and scope of the Group's operations and size; and • Capacity, complexity and expectations of the other listed directorships and principal commitments held. Currently, none of the Independent Director of the Company holds other directorships in public listed companies in Singapore. During FY2026, all the Directors and Board Committee members had also attended all Board and Board Committees meetings respectively. Overall, they have dedicated sufficient time and attention and also discharged their responsibilities towards the affairs of the Company. Please refer to the Directors' meeting attendance at page 66. The NC is satisfied that the other directorships and principal commitments of the Directors did not impede their respective performance nor hindered them from carrying out their duties as Directors of the Company and each of them is able to and has diligently and adequately carried out his/her duties as a Director of the Company since their appointment. The profile of the Directors, including their appointment dates, academic and professional qualifications, Board Committees served on are set out at pages 16 to 17 of this Annual Report and the principal commitment(s) and directorships in other listed company(ies) are listed below.

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Provision	Code Description	Company’s Compliance or Explanation			
		The following lists the present and past directorships of the directors in other listed companies and their principal commitments:			
		Alternate Directors	The Company does not have any alternate Directors.		

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Provision	Code Description	Company’s Compliance or Explanation																						
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.																								
5.1	Performance criteria and process for evaluation of the effectiveness of the Board	The NC is charged with carrying out an annual Board appraisal which requires each Director to complete assessment forms on assessing the performance and effectiveness of the Board as a whole, each of the Board Committees and the contribution by the Chairman and each individual Directors to the effectiveness of the Board. Table 5.1 sets out the performance criteria, recommended by the NC and approved by the Board, to evaluate the effectiveness of the Board as a whole and assess the contributions of each Director. <table><tr><th colspan="2">Table 5.1 – Performance Criteria</th></tr><tr><th>Board</th><th>Individual Directors</th></tr><tr><td>1. Size and composition</td><td>1. Commitment of time</td></tr><tr><td>2. Access to information</td><td>2. Knowledge and abilities.</td></tr><tr><td>3. Board processes</td><td>3. Teamwork</td></tr><tr><td>4. Strategic planning</td><td>4. Independence and objectivity</td></tr><tr><td>5. Board accountability</td><td>5. Integrity</td></tr><tr><td>6. Succession planning</td><td>6. Overall effectiveness</td></tr><tr><td>7. Board effectiveness in its monitoring role and making attainment of the strategic and long-term objectives</td><td>7. Track record in good decision</td></tr><tr><td>8. Board Committees’ performance in relation to discharging their responsibilities set out in their respective terms of reference</td><td>8. Perspectives on competition</td></tr><tr><td>9. Board stewardship</td><td>–</td></tr></table>	Table 5.1 – Performance Criteria		Board	Individual Directors	1. Size and composition	1. Commitment of time	2. Access to information	2. Knowledge and abilities.	3. Board processes	3. Teamwork	4. Strategic planning	4. Independence and objectivity	5. Board accountability	5. Integrity	6. Succession planning	6. Overall effectiveness	7. Board effectiveness in its monitoring role and making attainment of the strategic and long-term objectives	7. Track record in good decision	8. Board Committees’ performance in relation to discharging their responsibilities set out in their respective terms of reference	8. Perspectives on competition	9. Board stewardship	–
Table 5.1 – Performance Criteria																								
Board	Individual Directors																							
1. Size and composition	1. Commitment of time																							
2. Access to information	2. Knowledge and abilities.																							
3. Board processes	3. Teamwork																							
4. Strategic planning	4. Independence and objectivity																							
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9. Board stewardship	–																							

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
5.2	Disclosure of assessment of the Board, Board Committees and each Director	Completed assessment forms are returned by each Director and the Company Secretary collates the results, which are circulated to the NC for information and feedback. The summary of the assessment and any recommendations are then tabled for the Board's review and collective discussion by the Chairman of the NC to address or recommend any areas for improvement and follow-up actions. The appraisal process focuses on a set of performance criteria for the Board, Board Committees and individual Directors' assessment as highlighted in Table 5.1, communication with key management personnels and the Directors' standards of conduct. The NC makes recommendations to the Board aimed at helping the Board to discharge its duties effectively. The Chairman of the Board acts on the results of the performance evaluation and the recommendation of the NC, and where appropriate, in consultation with the NC, new members may be appointed or resignation of directors may be sought. The NC has full authority to engage an external facilitator to assist the NC to carry out the evaluation process, if the need arises. The NC has reviewed the overall performance of the Board, Board Committees and individual Directors for FY2026 and is satisfied that the Board as a whole and Board Committees have met the performance evaluation criteria and objectives and each Director has contributed effectively and demonstrated commitment to their respective roles, including commitment of time for the Board and Board Committee meetings and any other duties in FY2026. All NC members have abstained from the voting or review of any matters in connection with the assessment of his/her performance or re-appointment as a Director of the Company. No external facilitator was used in the evaluation process.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
REMUNERATION MATTERS		
Procedures for developing remuneration policies <i>Principle 6: There should be a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and Key Executives. No director is involved in deciding his or her own remuneration.</i>		
6.1	Remuneration Committee ("RC") role	The RC's written terms of reference which describe its major responsibilities are: • to make recommendations to the Board on the framework for remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits in kind for the Board and key management personnel and to determine specific remuneration packages for each director and key management personnel; • to review all benefits and long-term incentive schemes (including share schemes), whether directors and key management personnel should be eligible for benefits under long-term incentive schemes and compensation/remuneration packages for the Board and key management personnel; • to review annually the remuneration package of directors and key management personnel; • to review specific remuneration packages (the performance bonus incentive) for directors and key management personnel; • to review service contracts of the executive directors; and • to review remuneration packages of employees who are related to any director or substantial shareholders.
6.2	Remuneration Committee composition	As at the date of this Report, the RC comprises three (3) Independent Directors who have been tasked with the authority and responsibility to determine and recommend Directors and key management personnels' remuneration packages for the Board's consideration and approval. The Chairman of the RC, Mr. Kenny Kwan, is an Independent Director. The composition of the RC is as follows: Mr. Kenny Kwan Yew Kwong (Chairman) Mr. Kazuo Jozeph Takeda Ms. Chua Siew Hwi

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
6.3	Termination clauses	The RC reviews and considers all aspects of remuneration including termination terms. The CEO, who is an Executive Director, has a service contract which is renewable every two years and provides for a three-month notice period. The service contract does not contain any onerous termination clauses or “golden handshake” provisions. No termination, retirement or post-employment benefits are granted to the Executive Directors, the CEO or key management personnel. The service contracts of the Executive Directors are subject to the review and approval of the RC. In line with the Company's remuneration policy, no Director is involved in determining his or her own remuneration. Contractual provisions to reclaim incentives With effect from the financial year ended 30 June 2021, a clawback provision has been incorporated into the service contracts of the Executive Directors. Under the provision, the Company may recover bonuses paid to the Executive Directors in the event of a material misstatement of the financial results in the Company's audited financial statements. A misstatement is considered material where it exceeds 5%. The clawback provision remains legally binding on the Executive Directors for a period of up to two years after they cease to be employed by the Company. The RC has reviewed and recommended to the Board and the Board concurred that the remuneration and termination clauses are fair and reasonable and are not overly generous. There was no termination of any Director and key management personnel during FY2026.
6.4	Remuneration experts	The RC has access to expert professional advice on human resource matters whenever there is a need to consult externally. In its deliberations, the RC takes into consideration industry practices and norms in compensation, in addition to the Group's relative performance to the industry and the performance of the individual Directors and Executive Officers. The Company has not engaged any remuneration consultants for FY2026 and will continue to monitor the need to engage external remuneration consultants going forward and where applicable, will review the independence of the external consultants before any engagement.

CORPORATE GOVERNANCE

Provision	Code Description	Company’s Compliance or Explanation																		
LEVEL AND MIX OF REMUNERATION																				
Principle 7: The level and structure of remuneration of the Board and Key Executives are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.																				
7.1, 7.2 and 7.3	Remuneration framework	REMUNERATION FRAMEWORK AT A GLANCE																		
		<table><tr><th>Component/Feature</th><th>Company’s Remuneration Approach</th></tr><tr><td>Fixed Remuneration</td><td>Base salary and applicable fixed allowances</td></tr><tr><td>Variable Remuneration – PBI</td><td>Performance-linked incentive based on established targets</td></tr><tr><td>Executive Directors</td><td>PBI linked to Group performance</td></tr><tr><td>Key Management Personnel/ Employees</td><td>PBI linked to relevant subsidiary performance and established targets</td></tr><tr><td>Sales Incentive Scheme</td><td>Applicable to sales and marketing teams; Executive Directors and Key Management Personnel are not eligible</td></tr><tr><td>PBI Cap</td><td>Aggregate Group PBI shall not exceed 10% of Group profit before tax and before bonus</td></tr><tr><td>Annual Remuneration Review</td><td>Individual and Company performance and prevailing market conditions</td></tr><tr><td>RC Oversight</td><td>Annual review of Executive Director and Key Management Personnel remuneration</td></tr></table>	Component/Feature	Company’s Remuneration Approach	Fixed Remuneration	Base salary and applicable fixed allowances	Variable Remuneration – PBI	Performance-linked incentive based on established targets	Executive Directors	PBI linked to Group performance	Key Management Personnel/ Employees	PBI linked to relevant subsidiary performance and established targets	Sales Incentive Scheme	Applicable to sales and marketing teams; Executive Directors and Key Management Personnel are not eligible	PBI Cap	Aggregate Group PBI shall not exceed 10% of Group profit before tax and before bonus	Annual Remuneration Review	Individual and Company performance and prevailing market conditions	RC Oversight	Annual review of Executive Director and Key Management Personnel remuneration
		Component/Feature	Company’s Remuneration Approach																	
		Fixed Remuneration	Base salary and applicable fixed allowances																	
		Variable Remuneration – PBI	Performance-linked incentive based on established targets																	
		Executive Directors	PBI linked to Group performance																	
		Key Management Personnel/ Employees	PBI linked to relevant subsidiary performance and established targets																	
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		Annual Remuneration Review	Individual and Company performance and prevailing market conditions																	
RC Oversight	Annual review of Executive Director and Key Management Personnel remuneration																			
Remuneration Structure and Performance Alignment																				
The Company adopts a performance-based remuneration framework for its Executive Directors and key management personnel which is designed to be competitive and responsive to market conditions, while aligning remuneration with the sustainable performance and value creation of the Group and the interests of shareholders and other stakeholders.																				
The remuneration package comprises fixed and variable components. The fixed component comprises base salary and, where applicable, other fixed allowances, while the variable component is principally linked to performance through the Company’s Performance Bonus Incentive (“PBI”) Scheme.																				

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		Performance Bonus Incentive Scheme For employees, including key management personnel, the PBI is linked to the performance of the relevant subsidiary and the achievement of established targets approved by the RC, including financial performance, operational efficiency and people development. For Executive Directors, the PBI is linked to the performance of the Group and the achievement of established performance targets. To maintain an appropriate bonus structure aligned with the Group's performance and remuneration objectives, the aggregate Group PBI payable to Executive Directors and employees of profitable subsidiaries shall not exceed 10% of the Group's profit before tax and before bonus. The Company also operates a Sales Incentive Scheme for its sales and marketing teams based on pre-defined targets. Executive Directors and key management personnel are not eligible to participate in the Sales Incentive Scheme. Service Agreements The CEO and Executive Director, Mr. Kyle Borch, has a service contract which is renewable every two years and provides for a three-month notice period. His remuneration comprises fixed and variable components determined in accordance with the Company's remuneration framework and subject to the review and approval of the RC. The service contract does not contain any onerous termination clauses or "golden handshake" provisions. No termination, retirement or post-employment benefits are granted to the Executive Directors, the CEO or key management personnel. In line with the Company's remuneration policy, no Director is involved in determining his or her own remuneration.
	Remuneration of non-executive directors	The RC has adopted a fee framework for the remuneration of Independent and Non-Executive Directors, taking into account their respective appointments and roles on the Board and Board Committees, the level of contribution, effort, time commitment and responsibilities involved, as well as fees paid by comparable companies. The level of Directors' fees is reviewed annually by the RC and is structured so as not to be excessive to the extent that the independence of the Independent Directors may be compromised. Directors' fees to be paid to the Directors will be tabled for shareholders' approval.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation												
		Under the Company's established fee framework, the Directors' fees are determined as follows: <table><tr><th>Role</th><th>Fee Structure</th></tr><tr><td>Board Member</td><td>Base Director's fee</td></tr><tr><td>Committee Chairperson</td><td>Base Director's fee + 15%</td></tr><tr><td>ARC Chairperson</td><td>Base Director's fee + 30%</td></tr><tr><td>Board Chairperson</td><td>Base Director's fee + 50%</td></tr><tr><td>Lead Independent Director</td><td>Base Director's fee + 10%</td></tr></table>	Role	Fee Structure	Board Member	Base Director's fee	Committee Chairperson	Base Director's fee + 15%	ARC Chairperson	Base Director's fee + 30%	Board Chairperson	Base Director's fee + 50%	Lead Independent Director	Base Director's fee + 10%
Role	Fee Structure													
Board Member	Base Director's fee													
Committee Chairperson	Base Director's fee + 15%													
ARC Chairperson	Base Director's fee + 30%													
Board Chairperson	Base Director's fee + 50%													
Lead Independent Director	Base Director's fee + 10%													
	Long-term incentives	The Micro-Mechanics Performance Share Plan 2025 ("PSP 2025") was approved by shareholders and adopted at the extraordinary general meeting ("EGM") of the Company held on 30 October 2025. The PSP 2025 provides for awards ("Awards") in the form of fully paid ordinary shares in the capital of the Company ("Shares"), to be granted free of payment to eligible participants comprising Group Employees (including Group Executive Directors) and Group Non-Executive Directors. At the EGM, the shareholders also approved of the following: (a) participation by Mr. Kyle Borch, a controlling shareholder of the Company, and (b) grant of an award of up to 100,000 shares to Mr. Kyle Borch, a controlling shareholder of the Company. Under the approved PSP 2025, the Directors are authorised to administer the PSP 2025, modify and/or alter it in accordance with its provisions, grant Awards, and allot and issue or transfer Shares as may be required to be delivered pursuant to the vesting of Awards. The aggregate number of new Shares allotted and issued and/or to be allotted and issued, and existing Shares (including treasury shares) delivered and/or to be delivered pursuant to Awards granted under the PSP 2025, together with any Shares subject to any other share option schemes or share schemes of the Company, shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time, as determined in accordance with the provisions of the PSP 2025. No Awards have been granted pursuant to the PSP 2025 since its adoption and as at the date of issuance of this Annual Report.												

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
DISCLOSURE ON REMUNERATION		
<i>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.</i>		
8.1	Company's remuneration policy and criteria for setting remuneration	The Group's remuneration policy covers all aspects of remuneration, including Directors' fees, salaries, allowances, bonuses, share-based incentives and benefits-in-kind, and seeks to ensure that remuneration remains competitive and sufficient to attract, retain and motivate Directors and key management personnel with the requisite experience and expertise. The policy reinforces the link between total remuneration and the achievement of organizational and individual performance objectives, having regard to relevant market and industry benchmarks. The Company is committed to transparency in its remuneration policies and practices and seeks to provide shareholders with sufficient information to understand the level and mix of remuneration, the relationship between remuneration and performance, and how the remuneration framework supports the long-term interests of the Company. The remuneration framework for the Executive Directors and key management personnel comprises fixed and variable components, with the variable component linked to the achievement of individual, business and Group performance objectives, as applicable. Further details of the Company's remuneration framework and practices are set out under Provisions 7.1 to 7.3 above. The Board believes that the current remuneration framework allows the Company to attract sufficiently qualified talent. The Board supports and recognizes the importance of transparency in remuneration disclosures. However, after careful consideration, the Board is of the view that disclosure of the remuneration of key management personnel in absolute amounts would not be in the best interests of the Company, having regard to the sensitive nature of such information, the relative size of the Company, the competitive business environment in which the Group operates and the potential adverse impact that such disclosure may have on the Company's ability to attract and retain talent. Accordingly, the remuneration of the Company's key management personnel (who are not Directors or the CEO) is disclosed in remuneration bands of S\$250,000, together with the breakdown of their remuneration by component. The Company discloses the aggregate remuneration paid to the top six key management personnel. The Company separately discloses the exact amount and breakdown of remuneration of each Director and the CEO in accordance with the applicable Listing Manual. The level and mix of remuneration of the Directors and key management personnel for FY2026 are set out in the tables below.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation																								
8.1(a), 8.1(b) and 8.3	A breakdown showing the level and mix of each Director's remuneration	The amount and mix (in percentage terms) of the remuneration paid to Directors in FY2026 are set out below:																								
		Table 8.1(a) – Remuneration of Directors																								
		<table><tr><th>Name of Executive Director</th><th>Director's fee (%)</th><th>Salary (%)</th><th>Bonus (%)</th><th>Allowances/ Benefits (%)</th><th>Total (\$\$)</th></tr><tr><td>Kyle Christopher Borch (CEO)</td><td>10</td><td>43</td><td>28</td><td>19</td><td>591,701</td></tr><tr><td>Christopher Reid Borch (Director of Innovation & Business Development)</td><td>29</td><td>63</td><td>–</td><td>8</td><td>205,904</td></tr></table>	Name of Executive Director	Director's fee (%)	Salary (%)	Bonus (%)	Allowances/ Benefits (%)	Total (\$\$)	Kyle Christopher Borch (CEO)	10	43	28	19	591,701	Christopher Reid Borch (Director of Innovation & Business Development)	29	63	–	8	205,904						
		Name of Executive Director	Director's fee (%)	Salary (%)	Bonus (%)	Allowances/ Benefits (%)	Total (\$\$)																			
		Kyle Christopher Borch (CEO)	10	43	28	19	591,701																			
		Christopher Reid Borch (Director of Innovation & Business Development)	29	63	–	8	205,904																			
		<table><tr><th>Name of Independent and Non-Executive Director</th><th>Director's fee (%)</th><th>Salary (%)</th><th>Bonus (%)</th><th>Allowances/ Benefits (%)</th><th>Total (\$\$)</th></tr><tr><td>Kenny Kwan Yew Kwong</td><td>100</td><td>–</td><td>–</td><td>–</td><td>75,000</td></tr><tr><td>Kazuo Jozeph Takeda</td><td>100</td><td>–</td><td>–</td><td>–</td><td>69,000</td></tr><tr><td>Chua Siew Hwi</td><td>100</td><td>–</td><td>–</td><td>–</td><td>78,000</td></tr></table>	Name of Independent and Non-Executive Director	Director's fee (%)	Salary (%)	Bonus (%)	Allowances/ Benefits (%)	Total (\$\$)	Kenny Kwan Yew Kwong	100	–	–	–	75,000	Kazuo Jozeph Takeda	100	–	–	–	69,000	Chua Siew Hwi	100	–	–	–	78,000
		Name of Independent and Non-Executive Director	Director's fee (%)	Salary (%)	Bonus (%)	Allowances/ Benefits (%)	Total (\$\$)																			
		Kenny Kwan Yew Kwong	100	–	–	–	75,000																			
		Kazuo Jozeph Takeda	100	–	–	–	69,000																			
Chua Siew Hwi	100	–	–	–	78,000																					
The RC recommends Directors' fees for the Board's endorsement and approval by shareholders at the Company's AGM and the fees are determined having regard to the scope and extent of the responsibilities and obligation to the Company. The Directors' fees are payable on a quarterly basis in arrears, after approval is obtained from shareholders at the AGM.																										
No Director is involved in deciding his/her own remuneration. Each RC member has abstained from participating in the deliberations of and voting on any resolution in respect of his/her remuneration package or that of employees related to him/her.																										
There were no termination, post-employment and retirement benefits granted to the Directors in FY2026.																										
For the financial year ended 30 June 2026, the Board has recommended Directors' fees of up to S\$342,000 (FY2025: S\$393,000) payable quarterly in arrears for shareholders' approval at the upcoming AGM.																										

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation																																													
	Remuneration of top 5 Key Management Personnel (who are not directors or CEO)	During FY2026 and as at the date of this Report, the Company has 6 executive officers/key management personnel (who are not a director or the CEO) in FY2026. The breakdown for their remuneration for FY2026 is as follows: <table><tr><th>Remuneration band and name of key management personnel</th><th>Salary (%)</th><th>Bonus (%)</th><th>Allowances/ Benefits (%)</th><th>Total (%)</th></tr><tr><td colspan="5"><u>S\$250,000 to S\$500,000</u></td></tr><tr><td>Wendy Tan Wei Lee</td><td>61</td><td>29</td><td>10</td><td>100</td></tr><tr><td>Shen Zi Quan</td><td>59</td><td>35</td><td>6</td><td>100</td></tr><tr><td>Looi Sek Mun</td><td>65</td><td>22</td><td>13</td><td>100</td></tr><tr><td colspan="5"><u>Below S\$250,000</u></td></tr><tr><td>Goh King Kang</td><td>65</td><td>30</td><td>5</td><td>100</td></tr><tr><td>Richie Cajili Manuel</td><td>76</td><td>20</td><td>4</td><td>100</td></tr><tr><td>Christian Palazzolo (appointed 2 June 2026)</td><td>93</td><td>0</td><td>7</td><td>100</td></tr></table> The aggregate remuneration paid/payable to the executive officers/key management personnel for FY2026 was approximately S\$1,455,387. There were no termination, retirement and post-employment benefits granted to key management personnel during FY2026.	Remuneration band and name of key management personnel	Salary (%)	Bonus (%)	Allowances/ Benefits (%)	Total (%)	<u>S\$250,000 to S\$500,000</u>					Wendy Tan Wei Lee	61	29	10	100	Shen Zi Quan	59	35	6	100	Looi Sek Mun	65	22	13	100	<u>Below S\$250,000</u>					Goh King Kang	65	30	5	100	Richie Cajili Manuel	76	20	4	100	Christian Palazzolo (appointed 2 June 2026)	93	0	7	100
Remuneration band and name of key management personnel	Salary (%)	Bonus (%)	Allowances/ Benefits (%)	Total (%)																																											
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Richie Cajili Manuel	76	20	4	100																																											
Christian Palazzolo (appointed 2 June 2026)	93	0	7	100																																											
8.2	Remuneration of employees who are substantial shareholders, immediate family members of Director, CEO or substantial shareholder	Save for Mr. Chris Borch and Mr. Kyle Borch who are father and son, there are no employees of the Company who are substantial shareholders of the Company or are immediate family members of a director or the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S\$100,000 during FY2026.																																													

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
8.3	Other payments and benefits and details of the employee share scheme(s).	Save as disclosed, there are no other payments, compensation and benefits paid by the Group to the Directors and key management personnel of the Company in FY2026. The PSP 2025 was approved by shareholders and adopted at the EGM of the Company held on 30 October 2025. The PSP 2025 provides for Awards in the form of fully paid ordinary Shares in the capital of the Company, to be granted free of payment to eligible participants comprising Group Employees (including Group Executive Directors) and Group Non-Executive Directors The Company did not grant any Awards pursuant to the PSP 2025 since its adoption, during FY2026 and as at the date of this Annual Report.
ACCOUNTABILITY AND AUDIT		
Risk Management and Internal Controls		
<i>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.</i>		
9.1 and Rule 719(3)	Risk governance	The Company has put in place internal controls necessary to identify and manage significant business risks. The Company's internal auditor being an external service provider, provides an independent resource and perspective to the ARC by highlighting any areas of concern discovered during the course of performing such internal audit process. Management regularly reviews the Company's business and operational activities to identify areas of financial, operational, compliance and information technology risk as well as measures to control these risks and reports to ARC quarterly. These include detailed financial and management reporting and detailed operational manuals and reports. Targets are set to measure and monitor the performance of operations periodically, such as growth, profit margins, inventory efficiency, accounts receivable management, personnel attendance, cycle time and housekeeping. On 30 October 2024, the Board consolidated the Audit Committee and Risk Management Committee and renamed it as Audit & Risk Committee (i.e. ARC). Thereafter, the responsibility of overseeing the Company's risk management framework, policies and processes is assumed by the ARC with the assistance of the internal auditors.

CORPORATE GOVERNANCE

Provision	Code Description	Company’s Compliance or Explanation												
		RISK MANAGEMENT & ASSURANCE FRAMEWORK <table><tr><th>Assurance participant</th><th>Principal role</th></tr><tr><td>Board</td><td>Overall governance and oversight of risk management and internal controls; determines risk tolerance level and considers key risks.</td></tr><tr><td>Audit and Risk Committee (ARC)</td><td>Assists the Board in reviewing the adequacy and effectiveness of risk management and internal controls and considers internal/ external audit findings.</td></tr><tr><td>Management/ Enterprise Risk Management Working Committee</td><td>Identifies, assesses and manages financial, operational, compliance and information technology risks; implements controls and reports significant matters to the ARC/Board.</td></tr><tr><td>Internal Auditor – CLA Global TS Holdings Pte. Ltd.</td><td>Provides independent internal audit reviews; reports directly to the ARC and presents findings and recommendations.</td></tr><tr><td>External Auditor – KPMG LLP</td><td>Provides independent external audit assurance and communicates relevant control observations to the ARC.</td></tr></table> The ARC is guided by the following terms of reference relating to risk management and assist the Board to: • determine the Group’s level of risk tolerance and risk policies; • ensure the management maintains a sound system of risk management; • recommend and review the implementation of risk management framework;	Assurance participant	Principal role	Board	Overall governance and oversight of risk management and internal controls; determines risk tolerance level and considers key risks.	Audit and Risk Committee (ARC)	Assists the Board in reviewing the adequacy and effectiveness of risk management and internal controls and considers internal/ external audit findings.	Management/ Enterprise Risk Management Working Committee	Identifies, assesses and manages financial, operational, compliance and information technology risks; implements controls and reports significant matters to the ARC/Board.	Internal Auditor – CLA Global TS Holdings Pte. Ltd.	Provides independent internal audit reviews; reports directly to the ARC and presents findings and recommendations.	External Auditor – KPMG LLP	Provides independent external audit assurance and communicates relevant control observations to the ARC.
Assurance participant	Principal role													
Board	Overall governance and oversight of risk management and internal controls; determines risk tolerance level and considers key risks.													
Audit and Risk Committee (ARC)	Assists the Board in reviewing the adequacy and effectiveness of risk management and internal controls and considers internal/ external audit findings.													
Management/ Enterprise Risk Management Working Committee	Identifies, assesses and manages financial, operational, compliance and information technology risks; implements controls and reports significant matters to the ARC/Board.													
Internal Auditor – CLA Global TS Holdings Pte. Ltd.	Provides independent internal audit reviews; reports directly to the ARC and presents findings and recommendations.													
External Auditor – KPMG LLP	Provides independent external audit assurance and communicates relevant control observations to the ARC.													

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		- review the processes and procedures for ensuring that all material risks are properly identified and that appropriate systems of monitoring and control are in place; - review the Group's risk profiles regularly; and - review breaches of risk appetite and tolerances. The ARC references internationally recognised frameworks – including ISO 31000 (Risk Management), the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) model, and the ISO 27000 series (Information Security Management Systems) – to assess the effectiveness of the Company's risk management and IT governance systems. At the Management level, an Enterprise Risk Management Working Committee has been established, comprising key personnel responsible for developing and implementing the enterprise risk management framework. This Committee reports regularly to the ARC on risk matters and mitigation strategies. The ARC, in turn, reports to the Board, which reviews and approves the Company's risk tolerance levels and overarching risk policies. The Board oversees the adequacy and effectiveness of the Company's risk management and internal control systems and remains fully committed to upholding high standards of corporate governance, independence, and risk oversight. To reinforce this commitment, the Company has implemented targeted measures such as increasing training hours in risk management for Board members and senior management and engaging independent third parties to periodically review and benchmark governance practices against market best practices.
	Annual review	The Company has put in place an Enterprise Risk Management system, to identify and manage significant risks. The risk management framework helps the Board to formally identify the Group's enterprise risks and address internal controls covering financial, operational, compliance and information technology risks on an ongoing basis. These risks are prioritized based on risk appetite and risk tolerance levels that the Board adopts. Key risks are escalated to and discussed at the Board level while all the other risks are handled at Management level and reported to the Board on an exceptional basis.

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		The Management, the internal auditor and the external auditors, conduct reviews and audits on a regular basis that involve testing the adequacy and effectiveness of material internal controls on key risks. Any material non-compliance or lapses in internal controls and its corresponding mitigating actions will be reported to the ARC. At least annually, the Board, with assistance from the ARC, will review the adequacy and effectiveness of the Company's Risk Management and internal control systems, including financial, operational, compliance and information technology risks.
9.2(a) and 9.2(b)	CEO and CFO assurance	For FY2026, the Board has also received assurance from the CEO and SVP Finance: (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (b) on the adequacy and the effectiveness of the Group's risk management systems and internal control systems, including financial, operational, compliance and information technology controls.
	Board conclusion	The Board has received assurance from the CEO and SVP Finance (a) that the financial records have been properly maintained and the financial statements for FY2026 give a true and fair view of the Group's operations and finances; and (b) confirmation regarding the adequacy and effectiveness of the Group's risk management and internal controls system. In addition, the external auditors have not highlighted any internal control weaknesses which have come to their attention in the course of their statutory audit. All external and internal audit findings and recommendations were reported to the ARC and discussions were held between the ARC and the auditors in the absence of the Management to review and address any potential concerns. The Board noted that there were no adverse findings on risk management and internal control systems relating to the agreed internal audit scope for FY2026.

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		Based on the assurance from the CEO and the SVP Finance referred to in the preceding paragraph, the internal controls established and maintained by the Group, the review performed by the Management and the ARC, the work performed by the internal auditors, the review undertaken by the external auditors as part of their statutory audit and the absence of any whistleblowing report, the Board, with the concurrence of the ARC, is of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems, were adequate and effective during FY2026 and up to the date of this report. The Board remains committed to upholding a sound system of risk management and internal controls that supports the Group's strategic objectives and safeguards stakeholder interests. It recognizes that the control environment must evolve in response to changing business conditions, regulatory developments, and emerging risks. Management, under the guidance of the Board and ARC, will continue to review and enhance internal policies, procedures, and control mechanisms. Appropriate resources and expertise will be allocated to ensure the Group maintains a resilient governance framework that promotes operational integrity, regulatory compliance, and long-term value creation.
AUDIT COMMITTEE		
<i>Principle 10: The Board has an Audit and Risk Committee ("ARC") which discharges its duties objectively</i>		
10.1	Duties of the ARC	The ARC's written terms of reference were revised and adopted on 25 January 2025 which describe its major responsibilities as follows: • to review with the external and internal auditors the audit plan and the results of the external auditor's examination and evaluation of the Group's system of internal controls; • to review (i) the quarterly, half yearly and yearly announcement of financial results, and (ii) the consolidated financial statements, consolidated statement of financial position, consolidated statement of comprehensive income, and the external auditor's reports on those financial statements, before submission to the Board for approval; • to review and discuss with external and internal auditors any suspected fraud or irregularities, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Company's operating results and/or financial position;

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		• to review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters and how to handle it properly including independent investigation, public announcement and internal communication with employees and related stakeholders; • ensuring that our Group publicly discloses, and clearly communicates, to employees the existence of a whistleblowing policy and the procedures for raising such concerns; • to make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external and internal auditors, and approve the remuneration and terms of engagement of the external and internal auditors; • to review the adequacy, effectiveness, independence, scope and results of the external auditors annually including the nature and extent of non-audit services provided by the external auditors; • to review interested person transactions falling within the scope of Chapter 9 of the Listing Manual; • to review at least annually the adequacy and effectiveness of the internal control framework and risk management processes including financial, operational, compliance and information technology controls and help ensure adequate measures are in place; • to review the compliance with the Code of Best Practice on Security Transactions; • to review the adequacy, effectiveness, independence, scope of the work of the internal auditor and to review with the internal auditor the audit plan and the results of the internal auditor's examination and evaluation of the Group's system of internal controls; • to review the assurance from CEO and the SVP Finance on the financial records and financial statements; • to review the corporate governance processes; and • to undertake such other functions and duties as may be required by any legislation or the SGX-ST Listing Manual.

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		The ARC has authority to investigate any matter within its term of reference and have been given full access to the Management and reasonable resources to enable it to discharge its functions properly. The ARC has full discretion to invite any Director or key management personnel to attend its meetings.
10.2 and 10.3	ARC composition	All members of the ARC are Independent Directors who do not have any management and business relationships with the Company or any substantial shareholder of the Company. As at the date of this Report, the composition of the ARC is as follows: Ms. Chua Siew Hwi (Chairperson) Mr. Kenny Kwan Yew Kwong Mr. Kazuo Jozeph Takeda All members of the ARC bring extensive senior-level experience across the financial, legal, and/or commercial sectors. Collectively, they possess the requisite financial acumen and professional judgment to effectively discharge the ARC's responsibilities. Ms. Chua Siew Hwi, the Chairperson, a Fellow Chartered Accountant of Singapore, is a seasoned leader with a strong track record spanning finance and corporate functions, including operations, information technology, human resources, enterprise risk management, and internal audit. Mr. Kenny Kwan, a member of the ARC, contributes relevant financial management expertise, particularly in capital markets transactions, mergers and acquisitions, and general corporate advisory. None of the ARC members were former partners or directors of the Company's existing external audit firm or audit corporation or held any financial interest in the external audit firm or audit corporation. The ARC assesses the independence of the external auditors annually. The aggregate amount of fees paid/payable to the external auditors for audit services rendered for the audit of the financial statements of the Group for FY2026 is S\$258,200. The non-audit fees paid/payable to the external auditors for FY2026 is S\$18,800. The ARC has reviewed the non-audit services provided by the external auditors for FY2026 and is satisfied that the nature and extent of such services would not prejudice the independence of the external auditors. Accordingly, the ARC has recommended the re-appointment of the external auditors at the forthcoming AGM.

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		Having reviewed, amongst others, the scope and quality of the audit and independence of the external auditors, the ARC has recommended and the Board has approved the nomination for re-appointment of KPMG LLP as the external auditors of the Company at the forthcoming AGM. Certain subsidiaries within the Group are audited by external auditors other than the Company's external auditors. The ARC has reviewed the audit arrangements for these subsidiaries and is satisfied with the adequacy of their internal controls and the scope of audit performed by the respective component auditors. To promote consistency and reliability in financial reporting across the Group, the Company's external auditors also conduct periodic site visits to the subsidiaries and, as principal auditors, have established appropriate procedures to assess, review and, where appropriate, rely on the work of the component auditors. The ARC is satisfied with these arrangements. The Company has complied with Rules 712 and 716 of the Listing Manual in relation to the appointment of external auditors for the Company and its subsidiaries. As part of the Company's established practice, the external auditors present their audit plan to the ARC prior to the commencement of the audit, including updates on changes in accounting standards that may have an impact on the Group's financial statements. SVP Finance also keeps the Board apprised of relevant changes in accounting standards. For the financial year under review, changes in accounting standards did not have a material impact on the Group's financial statements.
10.1(f)	Whistleblowing Policy	On 12 April 2025, the Board formally adopted a revised and comprehensive Whistleblowing Policy, which has been disseminated across the Group and incorporated into the Company Handbook. The Whistleblowing Policy is also publicly available on the Company's corporate website https://www.micro-mechanics.com. The Board believes that the policy serves, among other things, to deter malpractice and wrongdoing, foster a culture of openness and transparency, and strengthen the Group's overall risk management framework. The ARC Chairperson and members of the ARC are designated as Whistleblowing Officers and are responsible for overseeing the investigation and resolution of concerns raised under the policy. The ARC Chairperson may inform the CEO, the SVP Finance and/or other ARC members of any complaints or concerns received, while maintaining appropriate confidentiality, unless the ARC determines that such disclosure would be inappropriate in the circumstances.

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		All concerns are promptly reviewed and investigated and may, where appropriate, be referred to the police, external auditors or an independent investigator. All concerns raised under the Whistleblowing Policy are reported to the ARC in a timely manner.
10.4 and Rule 1207(10C)	Internal Audit function	The internal auditor reports directly to the ARC. The Company maintains a sound internal control and internal audit system to ensure the integrity and reliability of our financial information, as well as to safeguard shareholder value and the Group's assets. The system is strengthened and reinforced by the Group's internal auditor who carries out regular internal audits to ensure compliance with stipulated internal controls, applicable laws and regulations. The internal audit function is outsourced to CLA Global TS Holdings Pte. Ltd. ("CLA"), a reputable firm appointed by the ARC since August 2011. The recruitment and appointment of the internal auditor were undertaken by the ARC following a review of suitable candidates identified through internal and external channels, including recommendations from the external auditor and the company secretary. The appointed internal auditor is independent and has no affiliations with substantial shareholders, directors, the CEO, or the SVP Finance. The internal auditor has unrestricted access to all Company documents, records, properties, and personnel, including direct access to the ARC. The internal auditor meets with the ARC half yearly to present internal audit findings and recommendations. The ARC approves the internal audit schedule and plan and monitors the internal auditor's activities on an ongoing basis. Outsourcing the internal audit function to CLA supports continuity, objectivity, and independence, thereby reinforcing sound corporate governance. The ARC conducts an annual review of the internal audit plan in consultation with the internal auditor and assesses the effectiveness of the internal audit function. The lead internal auditor is a qualified accountant with extensive experience in internal audit. All audit work is conducted in accordance with the standards set by the Institute of Internal Auditors. For FY2026, the ARC is of the view that the internal audit function remains independent, effective and adequately resourced.
10.5	Independent Session with the External Auditors & Internal Auditors	The ARC meets with the internal auditors and external auditors at least once annually to discuss audit findings and recommendations, without the presence of the Management. During FY2026 the ARC has met with the internal auditors and external auditors once without the presence of the Management.

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Provision	Code Description	Company's Compliance or Explanation
Rule 712 and 716	Auditors	The Group has complied with Rules 712 and 716 of the Listing Manual in relation to the appointment of audit firms for the Group. The ARC and the Board are satisfied with the FY2026 audit plan, scope and work proposed and performed by the external auditors, KPMG LLP, for the significant subsidiaries of the Group.
10.1(f) and Rule 1207(18A) and 1207(18B)	Whistleblowing	The Company has in place a whistleblowing policy which sets out the procedures for a whistleblower to make a report on misconduct or wrongdoing relating to the Company and its officers. The ARC has reviewed the whistleblowing policy that the Group has established and is responsible for the oversight and monitoring of whistleblowing. The ARC is satisfied that arrangements are in place to ensure independent investigation of such matters and for appropriate follow-up actions to be taken. The Company publicly discloses details of its whistleblowing policy together with the reporting channel and procedures through its website at https://www.micro-mechanics.com, and clearly communicates with employees the existence of the whistleblowing policy which is in compliance with Listing Rule 1207(18B) as elaborated below: (a) the Company has procedures for raising such concerns to the ARC Chairman via email at whistleblowing@micro-mechanics.com and has an independent function comprising the ARC Chairperson and ARC members to investigate whistleblowing reports made in good faith; (b) the Company has clear channels through which staff and other persons may, in confidence, raise their concerns about possible improprieties, fraudulent activities or malpractices within the Company in a responsible and effective manner; (c) the Company has arrangements and processes to facilitate independent investigation of such concerns and for appropriate follow up action; (d) the Company has confidentiality clauses that protect identification of the whistleblower and ensures that the identity of the whistleblower is kept confidential; and (e) the Company is committed to ensuring the protection of the whistleblower against any detrimental and unfair treatment, for reports made in good faith and without malice. For FY2026 and up to the date of this report, there were no complaints, concerns or issues received by the ARC.

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	Summary of Audit and Risk Management Committee activities	The ARC has reviewed the annual financial statements of the Group, the quality and reliability of information for inclusion in financial reports, policies and practices put in place by the Management, reviewed the volume and nature of Interested Person Transactions (if any), nominated and recommended the re-appointment/appointment of the external auditors and internal auditors and reviewed the adequacy, effectiveness and independence of the external and internal auditors. The ARC has assisted the Board in reviewing the adequacy and effectiveness of the Risk Management and internal control systems, addressing financial, operational, compliance and information technology risks of the Group. Changes to the accounting standards and issues that have direct impact on financial statements were reported to and discussed with the ARC by the external auditors, in order for the ARC members to keep abreast of changes to such accounting standards and issues. In the review of the Group's financial statements, the ARC discussed with the Management on the accounting principles and assumptions that were applied and considered the clarity of key disclosures in the financial statements.
SHAREHOLDER RIGHTS AND ENGAGEMENT		
Shareholder Rights and Conduct of General Meetings <i>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.</i>		
11.1	Shareholder rights	All Shareholders are treated fairly and equitably, and the Group strives to disclose information on all major developments that could materially impact the Group in a timely manner. Shareholders are entitled to attend the general meetings and are afforded the opportunity to participate effectively in and vote at general meetings.
11.2	Resolutions	Each distinct issue is proposed as a separate resolution at general meetings. All resolutions proposed at general meetings shall be put to vote by way of a poll pursuant to Rule 730A(2) of the Listing Manual. All votes cast, for or against, and the respective percentages, in respect of each resolution are tallied and disclosed at the meeting and an announcement with the detailed results showing the numbers of votes cast for and against for each resolution and the respective percentages will be released via SGXNET after the general meetings.
11.3	Attendance at general meetings	All Directors, in particular the Chairman of the Board, the Chairpersons of the ARC, NC and RC, will be present and available to address shareholders' queries at the general meetings. The external auditors will also be present at the AGM to address shareholders' queries (if any) regarding the conduct of the audit and the preparation and content of the auditors' report.

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Provision	Code Description	Company's Compliance or Explanation
11.4	Voting procedures	At general meetings, all shareholders are encouraged to attend, participate effectively and vote in person or by proxy. The Company's Constitution provides for a shareholder or a depositor to appoint not more than two (2) proxies to attend and vote at the general meetings of the Company. Where the member is a "Relevant Intermediary" as defined under Section 181(6) of the Act, the said member can appoint more than two (2) proxies. Relevant Intermediary includes corporations holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors. Proxies need not be a shareholder of the Company. Shareholders are informed of such meetings through the annual report or circulars sent to all shareholders; notices published in the newspapers and announcements released via SGXNET. Shareholders will be briefed on the rules governing such meetings and voting procedures of the general meetings. An independent polling agent is appointed by the Company for general meetings who will explain the voting procedures that govern the general meetings to the shareholders. Results of poll voting are announced on the same day as the meeting via SGXNET. Voting in absentia by email, mail or fax is not implemented due to authentication and other security related concerns.
11.5	Minutes of general meetings	Minutes of the general meetings, which records the substantial and relevant comments or queries relating to the agendas of the general meetings raised by shareholders, together with responses from the Board and Management, will be published on the Company's website and on SGXNET within one month from the date of the meeting.
11.6	Dividend Policy	Effective from the financial year ended 30 June 2016, the Company has instituted a formal dividend policy which is to declare 40% or more of the Group's net profit according to the audited report. The Company pays interim and final dividends each year after taking into consideration the Group's financial performance, cash position, cash flow generated from operations, projected capital requirements for business growth, general global economic conditions and other factors as the Board may deem appropriate.

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		The Board is pleased to recommend a final one-tier tax exempt dividend of three Singapore cents per ordinary share for FY2026 ("Final Dividend"). The Final Dividend amounting to S\$4.2 million is subject to shareholders' approval at the forthcoming AGM to be held on 26 October 2026. Together with the interim one-tier tax exempt dividend of three Singapore cents per ordinary share paid on 19 February 2026, the Group's total dividend for FY2026 would be six Singapore cents per ordinary share. The total payout for FY2026 will amount to S\$8.3 million, representing a dividend payout ratio of 52.4% for FY2026.
ENGAGEMENT WITH SHAREHOLDERS		
<i>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.</i>		
12.1	Communication	The Company believes in high standards of transparent corporate disclosure and is committed to disclose to its shareholders, the information in a timely and fair manner via SGXNET and the Company's website. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all stakeholders as soon as practicable. Communication is made through: (a) Annual reports prepared and issued to all shareholders. The Board ensures that the annual reports include all relevant information of the Company and the Group, including future developments, if any, and other disclosures required by the Companies Act 1967 of Singapore and Singapore Financial Reporting Standards and the Listing Manual; (b) Result announcements containing a summary of the financial information and affairs of the Group for the corresponding period; (c) Press releases on major developments of the Group; and (d) Analysts briefings and/or roadshow. In line with the Company's commitment to transparency and timely communication with shareholders, the Board has resolved to continue the voluntary announcement of quarterly financial results via SGXNet, notwithstanding the removal of this requirement under the SGX Listing Manual. The Board believes that regular financial disclosures promote informed stakeholder engagement and reflect the Company's commitment to high standards of corporate governance and accountability.

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		The AGM of the Company is to be held within four months after the end of the financial year. The Company will be holding its AGM for FY2026 physically on 26 October 2026, details of which are disclosed in the Notice of AGM. In line with the Company's corporate social responsibility initiatives and environmental sustainability efforts, annual reports and circulars to Shareholders will be published on the Company's corporate website at https://www.micro-mechanics.com and at the SGXNET and available for viewing or downloading by the shareholders. Printed copies will only be mailed to shareholders upon their request via a request form. Shareholders of the Company will receive the AGM notice, proxy form and request form (to request a physical copy of the annual report and/or Appendix on renewal of share buyback mandate) via mail 21 days before the AGM. The documents are also accessible via the Company's corporate website and at the SGXNET. Shareholders are encouraged to attend the Company's AGM. To enhance shareholders' participation, the Company holds its AGM at central locations within walking distance from MRT stations. The Notice of AGM will also be advertised in a national newspaper within the mandatory period. Shareholders can access the financial information, corporate announcements, press releases, annual reports, circulars and profile of the Group on the Company's website at https://www.micro-mechanics.com.
	Conduct of Shareholder meeting	At general meetings, shareholders are given opportunities to voice their views and direct their questions to the Directors or the Management regarding the Company. The Chairman of the Board, members of the ARC, NC and RC will be present and available to address questions at general meetings. The External Auditors will also be present. Shareholders will be given the opportunity to submit questions concerning the Group's business and operations and resolutions to be proposed at the AGM, in advance of the general meeting (as per the cut-off date as indicated in the Notice of general meeting) or at the general meeting. The Company will address relevant and substantial questions via a response on SGXNET and the Company's website prior to the general meeting. For any subsequent clarifications sought, or substantial and relevant follow-up questions received after the stipulated cut-off date, they will be addressed at the general meeting itself.

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		Shareholders who are attending the general meetings may also submit their substantial and relevant queries relating to the agenda of the meeting during the meeting, which the Management and the Board of Directors will address accordingly. All resolutions are put to vote by poll in all the Company's general meetings. For cost effectiveness, the voting of the resolutions at the general meetings are conducted by manual polling and their detailed results are announced at the meeting. The voting results of each of the resolutions tabled are announced on the same day after the general meeting via SGXNET.
12.2	Investor Relations Policy	The Company solicits feedback from and encourages communication with shareholders and/or investors through the provision of an email address investor@micro-mechanics.com and/or contact details of our Investor Relations ("IR") team. The Company also addresses the concerns of shareholders (including institutional and retail investors) via investors/analyst briefings after the release of its periodic financial results. The Group will provide shareholders and prospective investors with pertinent information necessary to make well-informed investment decisions. By providing shareholders with reliable and timely information, the Company is able to strengthen the relationship with its shareholders based on trust and accessibility. The Company is supported by external Investor Relations Consultants and all media, analyst queries and investor relations events are coordinated accordingly, together with our CEO and SVP Finance who are responsible for corporate communications to enable effective communication between the Company and the investors. The IR function is led by the CEO, who oversees the Company's investor relations strategy. He is supported by the SVP Finance and an external professional IR firm engaged to strengthen communications with investors and analysts. The Company is committed to maintaining transparent, consistent, and timely communication with shareholders and the investment community. To facilitate this, a dedicated investor relations email address investor@micro-mechanics.com is provided, along with publicly available contact details of the Company's IR team. IR contact information is consistently disclosed in the Company's annual reports, SGXNet announcements, and corporate website to ensure accessibility and responsiveness.

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	Investor Relations Practices and Guidelines	The main objectives of the Company's IR team are to: - maintain an open and active dialogue with existing and potential shareholders; and - ensure all investors have equal and adequate access to clear, comprehensive and relevant information on a timely basis. Regular media and analyst briefings are organized to enable a better appreciation of the Group's performance and developments. The Company holds investor briefings, inviting the media and analysts, after the release of the first half and full year financial results. In addition to regulatory disclosures via SGXNet, the Company maintains a practice of publishing Frequently Asked Questions ("FAQs") on its corporate website. These FAQs are designed to provide shareholders and the public with accessible and relevant information regarding the Group's operations, performance, and strategic direction. The Company also makes timely announcements via SGXNet to inform shareholders and the market of any material changes or developments in its business that may reasonably be expected to affect the price or value of its shares. The Company conducts its IR on the following principles: - Operate an open-door policy with regard to investor/analyst enquiries which should be responded to within three working days; - Management and IR team are accessible to requests for one-on-one meetings and conference calls with investors and analysts; - Information deemed to be price-sensitive is disseminated without delay via announcements and/or press releases on SGXNet; - Discuss only publicly-available and publicly known information during dialogues with investors and analysts, principally following announcements of financial results; - Maintain a blackout period prior to the planned release of financial statements during which no meetings and presentations will be held with analysts or investors. The blackout period is two weeks for quarterly financial results and one month for the half yearly/full-year financial results;

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Provision	Code Description	Company's Compliance or Explanation
		• Endeavour to provide comprehensive information in financial results announcements to help shareholders and potential investors make informed decisions; • Announce the date of release of quarterly financial reports at least a week in advance; and • Allocate sufficient time to address queries of shareholders outside the formal business of the AGM.
12.3	Investor engagement	The Company conducts briefings to present its financial results to the media and analysts. Outside of the financial announcement periods, when necessary and appropriate, the Investor Relations team will meet analysts and/or investors who wish to seek a better understanding of the Group's business and operations, but discussions will be confined within publicly available and known information. This effort enables the Company to solicit feedback from the investment community on a range of strategic and topical issues which provide valuable insights to the Company from investors' views. Shareholders may raise questions to the Company through the Company's website of which the Company may respond to such questions.
MANAGING STAKEHOLDERS' RELATIONSHIPS Engagement with Stakeholders Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.		
13.1, 13.2 and 13.3	Stakeholders engagement	The Board considers the Company's obligations to its shareholders and also the interests of its material stakeholders as the relationships with material stakeholders may have an impact on the Company's long-term sustainability. Stakeholders are parties who may be affected by the Company's activities or whose actions can affect the ability of the Company to conduct its activities. The Board has identified its stakeholders as customers, employees, suppliers, shareholders, regulators and the local communities in which it operates. The Company maintains its website to communicate and engage with the stakeholders through various channels to understand their interests and concerns and, where appropriate, incorporate these considerations into its business practices and decision-making to support long-term sustainable growth. In addition, to keep stakeholders informed on the commitment made by the Company in fostering the creation of long-term value for the stakeholders and sustainable development of the global economy, the Group has prepared its sustainability report for FY2026, details of which are set out at pages 21 to 58 of this Annual Report.

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Provision	Code Description	Company's Compliance or Explanation
		Customers Focusing on the needs of customers is a critical success factor for our business. The Group remains committed to building long-term, value-driven relationships with our global customer base. As of FY2026, we serve approximately 600 customers worldwide, with our top 10 customers primarily in Singapore, the Philippines, the United States, China, and Malaysia. Most of these customers have partnered with the Group for over a decade, reflecting sustained trust and mutual value creation. These five markets collectively contributed 87% of Group revenue, underscoring their strategic importance to our business. To strengthen engagement and responsiveness, we have embedded Customer Relationship Management (“CRM”) tools within our Enterprise Resource Planning (“ERP”) system. This integration enables seamless coordination across functions and enhances our ability to deliver timely, tailored solutions. Our sales team and R&D team conducts regular customer visits, offering technical solutions and sharing updates on our latest capabilities. We also run an annual Customer Satisfaction Survey to have a better understanding evolving needs and expectations. In addition, the Group actively participates in industry trade shows and exhibitions, showcasing our latest products and services to both existing and prospective customers. These platforms serve as valuable opportunities to strengthen brand visibility, deepen customer relationships, and expand market reach. Employees Employee engagement is another critical success factor for our business. Our people are the Group's most valuable asset. We are committed to fostering a workplace culture that promotes integrity, inclusiveness, and continuous development. All new employees undergo a structured orientation programme, led by our Human Resources team, which includes a detailed walkthrough of the Company Handbook, with emphasis on the Code of Conduct. This ensures that every employee understands the Group's values, culture, and their rights and responsibilities from the outset. Training will be provided to make sure that all employees are able to carry out their respective jobs competently. We are committed to providing our employees with opportunities to develop their potential through relevant training programs. The focus of such training programs is skills-upgrading and education in areas directly related to an employee's present work and/or future development. During FY2026, about 525 employees received formal and structured training of 9,111 hours, excluding on-the-job training, which is approximately 17.36 hours per employee.

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		We conduct biannual performance and development dialogues, known as Sync Card sessions, where employees engage with their supervisors to review progress, discuss career pathways, and identify development opportunities. To align individual contributions with corporate objectives, the Group has implemented a Performance-Based Incentive ("PBI") Scheme, reviewed on a half-yearly basis. Employees are clearly informed of performance targets and reward criteria, reinforcing transparency and shared accountability. We are committed to maintaining a diverse and inclusive workforce, and to providing a safe and healthy work environment that supports employee well-being and productivity. Suppliers Our suppliers are key to our performance in terms of quality and cycle time. We are committed to cultivating trust based, mutually beneficial relationships with our supply chain partners, many of whom have worked with the Group for over a decade. To uphold high standards across our supply network, we encourage our suppliers to adopt the Responsible Business Alliance ("RBA") principles. These principles serve as a benchmark for our preferred evaluation criteria, covering key areas such as social responsibility, environmental stewardship, and ethical business conduct – in line with best practices for the electronics industry. We conduct annual performance assessments of our suppliers, complemented by a structured review of supply chain continuity risks. This approach enables us to proactively manage operational resilience while reinforcing our commitment to responsible sourcing. The Group continues to strengthen supplier engagement through transparent communication, shared expectations, and alignment with our long-term business objectives. Shareholders The Group is committed to maintaining open, consistent, and transparent communication with our shareholders and the broader investment community. We recognise the importance of ensuring that stakeholders have a clear understanding of our business model, strategic priorities, operational performance, and corporate culture.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		Our dedicated IR team plays a key role in facilitating this engagement, serving as a bridge between the Group and the capital markets. Through regular updates, briefings, and disclosures, we aim to foster trust and support informed decision-making among our shareholders. Further details on our shareholder engagement practices are outlined in Provisions 12.1, 12.2, and 12.3 under the Engagement with Shareholders section of this report. Regulators The Group is firmly committed to full compliance with all applicable laws and regulations in the jurisdictions where we operate. The Board and Management uphold a zero-tolerance policy towards corruption and any form of legal or regulatory non-compliance. We recognise that breaches not only pose operational and legal risks but also undermine the trust and reputation we have built with our stakeholders. To ensure continued alignment with evolving regulatory landscapes, the Board is regularly updated on changes to laws and regulations that may impact the Group's operations. This enables timely oversight and informed decision-making. We actively promote regulatory awareness and ethical conduct across the organisation. All employees are provided with relevant guidance and training to support compliance and responsible behaviour. As part of this commitment, the Group has obtained and adheres to key certifications, including International Traffic in Arms Regulations ("ITAR") – ensuring compliance with U.S. export control laws applicable to defense-related products and services. Local Communities The Group strives to build positive relationships with the communities where we operate. We support local communities by prioritising employment of locals wherever feasible. Mostly locals are employed in our operation in Malaysia, USA, the Philippines and China. In addition, we also initiated participation in social and charitable activities with some local communities. During FY2026, our employees in Malaysia subsidiary, engaged in volunteer and donation activities that supported local schools.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
Rule 711A	Sustainability Report	In addition, to keep stakeholders informed on the commitment made by the Company in fostering the creation of long-term value for the stakeholders and sustainable development of the global economy, the Group has prepared its sustainability report for FY2026, details of which are set out at pages 21 to 58 of this annual report. With effect from 1 January 2026, Rules 711A and 711B of the Listing Manual provide that an issuer must issue its sustainability report to shareholders and the SGX-ST for its financial year at the same time as the issuance of its annual report, unless external assurance has been conducted on the sustainability report, in which case the sustainability report may be issued no later than five months after the end of the financial year. The Company's sustainability reporting process is also required to be subject to internal review. The sustainability report must include climate-related disclosures which comply with the requirements set out in Practice Note 7.6.
13.3	Communication	Communication with shareholders and the public is managed by the Board. All announcements are released via SGXNET, including the half-yearly and full-year financial results, distribution of notices, press releases, analyst briefings, presentations, and announcements on acquisitions, corporate development and other material developments. The Company does not practise selective disclosure and price sensitive information is publicly released on an immediate basis where required under the Listing Manual. Annual reports and/or circulars will be published on the Company's corporate website and on SGXNet. In addition, all shareholders will receive notices of general meetings, proxy forms and request forms for printed copies of the annual report and/or circular. Shareholders and the public may view and/or download these documents from SGXNET or the Company's website. Apart from SGXNET announcements and its annual reports, the Company will also conduct media interviews as and when appropriate to give shareholders and the public deeper insights of the Group's business and strategies when opportunities present themselves. Further, the Company may, if it considers necessary and appropriate, release press releases or organise media/analyst briefings to keep shareholders and the public informed of its corporate development. The Company's CEO and SVP Finance are responsible for the Company's communication with shareholders, with the support of external Investor Relations Consultants. The Company maintains a corporate website where shareholders can access financial information, corporate announcements, press releases, annual reports and profile of the Group at https://www.micro-mechanics.com.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
712 and 716	Appointment of Auditors	The Company confirms its compliance with Listing Manual 712 and 716 in relation to the appointment of audit firms for the Group. The ARC and the Board are satisfied with the FY2026 audit plan, scope and work proposed and performed by the external auditors, KPMG LLP, for the significant subsidiaries of the Group.
1207(8)	Material Contracts	There was no material contracts entered into by the Group involving the interest of the CEO, any Director, or controlling shareholders, which are either still subsisting at the end of FY2026 or if not then subsisting, entered into since the end of the previous financial year.
1207(10)	Confirmation of adequacy of internal controls	The Board, with the concurrence of the ARC, is of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems, were adequate and effective as at FY2026 based on the assurance from the CEO and our SVP Finance set out at page 97 of this annual report, the internal controls established and maintained by the Group, the review performed by the Management and the ARC, the work performed by the internal auditors and the review undertaken by the external auditors as part of their statutory audit.
1207(17)	Interested Persons Transaction ("IPT")	The Company has adopted a policy in respect of any transactions with interested persons and requires that all such transactions be at arm's length and reviewed by the ARC quarterly. The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the ARC and that the transactions are conducted at arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. For the financial year ended 30 June 2026, the Group has made rental payment of US\$627,300 (30 June 2025: US\$561,372) and solar-generated electrical services payment of US\$210,000 (30 June 2025: US\$210,000) to Sarcadia LLC, a controlling shareholder of the Company and a family company set up by Mr. Chris Borch, an Executive Director of the Company. Save for the above, there was no other interested person transaction entered into with any Director, CEO, or controlling shareholders and their respective associates as defined in Chapter 9 of the Listing Manual.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		The Group maintains a register to record the list of interested persons and their associates (which is to be updated immediately if there are any changes) to enable identification of interested persons. The list of interested persons shall be reviewed on a quarterly basis by the SVP Finance and subject to such verifications or declarations as required by the ARC for such period as determined by them. The ARC shall review all IPTs at least on a half-yearly basis to ensure that they are carried out on normal commercial terms and in accordance with the procedures and to ensure that the prevailing rules and regulations, in particular, Chapter 9 of the Listing Manual are complied with.
1207(19)	Dealing in Securities	The Company has adopted an internal compliance code of conduct to guide and advise Directors and all executives of the Company with regard to dealings in the Company's securities in compliance with Rule 1207(19) of the Listing Manual. The Company, Directors and executives shall not deal in the Company's shares on short-term considerations or if they are in possession of price sensitive information and during the period commencing one (1) month prior to release of the half-year and full-year financial results announcement and ending on the date of the announcement of the results. Directors and senior management are also expected to observe insider-trading laws at all times even when dealing in securities within permitted trading periods while in possession of price-sensitive information. In general, the Group's policy encourages Directors and employees of the Group to hold the Company's securities and not deal in the Company's securities on short term considerations. The policy is to ensure that the Company's Directors, officers and employees of the Group are aware of their legal obligations towards the dealing of securities of the Company. Persons who are in possession of unpublished material price sensitive information and use such information for their own material gain are committing an offence of insider trading.
	Anti-corruption policy	The Group maintains a zero-tolerance policy towards bribery or corruption in any form. Employees are strictly prohibited from soliciting or offering or accepting bribes or incentives whether in the form of money or gifts or favours in any form whatsoever. Any unsolicited gift(s) having an aggregate value in excess of S\$200 must immediately be disclosed to a director. Proven violation shall result in the immediate termination proceedings and, where appropriate, be reported to the relevant local authority. Customers/suppliers entertainment shall be limited to modest breakfast, lunch or dinner engagement, in line with our commitment to ethical business conduct.

ADDITIONAL INFORMATION FOR DIRECTORS SEEKING RE-ELECTION

Name of Director	Kazuo Jozeph Takeda	Chua Siew Hwi
Date of initial appointment	1 November 2023	1 April 2024
Date of last re-appointment (if any)	30 October 2024	30 October 2024
Age	66	49
Country of principal residence	USA	Singapore
The Board's comments on this re-election/appointment	After reviewing the recommendation of the Nominating Committee and Mr. Takeda's qualifications and experience (as set out below), the Board has confirmed Mr. Takeda's independence and approved that Mr. Takeda stands for re-election as a Non-Executive Independent Director.	After reviewing the recommendation of the Nominating Committee and Ms. Chua's performance and contribution and experience (as set out below), the Board has confirmed Ms. Chua's independence and approved that Ms. Chua stands for re-election as Non-Executive Independent Director.
Whether appointment is executive, and if so, the area of responsibility	• Non-Executive	• Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member, etc)	• Non-Executive Independent Director • Chairman of Nominating Committee • Member of Audit & Risk Committee • Member of Remuneration Committee	• Non-Executive Independent Director • Chairperson of Audit & Risk Committee • Member of Nominating Committee • Member of Remuneration Committee
Professional qualification	• Fellow awarded from the Institute of Industrial and Systems Engineering, Atlanta, GA, USA • MBA degree from the University of Redlands CA, USA • Bachelor of Arts degree from California State University of Long Beach, CA USA • Member of Singapore Institute of Directors	• Fellow Chartered Accountant (Singapore) • ASEAN CPA • MBA from University of Southern Queensland • Bachelor Degree in Accountancy from Nanyang Technological University • Member of Singapore Institute of Directors

ADDITIONAL INFORMATION FOR DIRECTORS SEEKING RE-ELECTION

Name of Director	Kazuo Jozeph Takeda	Chua Siew Hwi
Working experience and occupation(s) during the past 10 years	1. Director of Performance Excellence, SprintRay, Los Angeles, CA, USA (July 2020 to July 2023) 2. Adjunct Industry Faculty, University of Southern California, Los Angeles, CA, USA (January 2012 to May 2022) 3. Manager, Industrial Engineering, Disneyland Resort, Anaheim, CA, USA (June 1998 to July 2020)	1. Senior Vice President, Enterprise Performance, Changi Airport Group (Singapore) Pte. Ltd. (Apr 2021 to Present) 2. Chief Financial Officer, Changi Airport International Pte Ltd (Oct 2020 to Feb 2021) 3. Divisional Director, Finance, Sentosa Development Corporation (Jul 2017 – Oct 2020) 4. Deputy Chief Executive Officer and Chief Financial Officer, Stamford Land Corporation Ltd (Jun 2013 – Sep 2016) 5. Deputy Chief Executive Officer and Chief Financial Officer, Singapore Shipping Corporation Ltd (Jun 2013 – Sep 2016)
Shareholding interest in the listed issuer and its subsidiaries	1,000 ordinary shares	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	No
Conflict of interests (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships# * “Principal Commitments” has the same meaning as defined in the Code.		
Past (for the last 5 years)	California Polytechnic University – Pomona, Industrial and Manufacturing Engineering Industry Advisory Board member (August 1998 – September 2023)	• Changi Airport Consultants Pte. Ltd. • Changi Airports India Pte. Ltd. • Changi Airports China Pte. Ltd. • Changi Airports MENA Pte. Ltd.

ADDITIONAL INFORMATION FOR DIRECTORS SEEKING RE-ELECTION

Name of Director	Kazuo Jozeph Takeda	Chua Siew Hwi
		• Changi Airports Europe Pte. Ltd. • Changi Airports Philippines (I) Pte. Ltd. • Changi Airports Kyushu Pte. Ltd. • Changi Golden Edge Pte. Ltd. • GateEq Pte. Ltd. • Goldenhorn Gate Pte. Ltd. • Singapore Changi Airport Enterprise Pte Ltd • SCAE Alterra Pte. Ltd. • Theta Enterprise Pte. Ltd. • Concessionaria Aeroporto Rio de Janeiro S.A. • Rio de Janeiro Aeroporto S.A • Committee Member of Finance Committee, Institute of Engineers Singapore
Present	• Founder and CEO of Kaz and Effect Solutions LLC, a consultancy and leadership development company • Institute of Industrial and Systems Engineering, Los Angeles Chapter 23, Board Member • University of Washington, Industrial and Systems Engineering, External Advisory Board member • Institute of Industrial and Systems Engineering, Puget Sound Chapter, Board Member, Puget Sound Engineering Council Representative • Gig Harbor Crusers – non-profit social group, Vice President • Gig Harbor New Neighbors – non profit social group, Director of Infrastructure	• Senior Vice President Enterprise Performance, Changi Airport Group (Singapore) Pte Ltd • Council Member and CFO Committee Member, Institute of Singapore Chartered Accountant • Practice Monitoring Sub-Committee Member (“PMSC”), Accounting and Corporate Regulatory Authority (“ACRA”)

ADDITIONAL INFORMATION FOR DIRECTORS SEEKING RE-ELECTION

Name of Director	Kazuo Jozeph Takeda	Chua Siew Hwi
Information required Disclose the following matters concerning an appointment of director.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him 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	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	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	No

ADDITIONAL INFORMATION FOR DIRECTORS SEEKING RE-ELECTION

Name of Director	Kazuo Jozeph Takeda	Chua Siew Hwi
(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	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	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	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

ADDITIONAL INFORMATION FOR DIRECTORS SEEKING RE-ELECTION

Name of Director	Kazuo Jozeph Takeda	Chua Siew Hwi
(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	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

ADDITIONAL INFORMATION FOR DIRECTORS SEEKING RE-ELECTION

Name of Director	Kazuo Jozeph Takeda	Chua Siew Hwi
(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	No

DIRECTORS' STATEMENT

Year ended 30 June 2026

We are pleased to submit this annual report to the members of Micro-Mechanics (Holdings) Ltd. (the "Company") together with the audited financial statements for the financial year ended 30 June 2026.

In our opinion:

- (a) the financial statements set out on pages 132 to 175 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2026 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 and Singapore Financial Reporting Standards (International); 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.

Directors

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

Christopher Reid Borch
Kyle Christopher Borch
Chua Siew Hwi
Kazuo Jozeph Takeda
Kwan Yew Kwong, Kenny

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (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 are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year	Holdings at 21 July 2026
Ordinary shares			
Micro-Mechanics (Holdings) Ltd			
Christopher Reid Borch	60,385,169	60,135,169	60,135,169
Kyle Christopher Borch	41,685,256	45,725,000	45,725,000
Kazuo Jozeph Takeda	–	1,000	1,000

By virtue of Section 7 of the Act, Christopher Reid Borch and Kyle Christopher Borch are deemed to have interests in the other subsidiaries of the Company, all of which are wholly-owned, at the beginning and at the end of the financial year.

DIRECTORS' STATEMENT

Year ended 30 June 2026

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 of the financial year, or date of appointment if later, or at the 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.

Share options

During the financial year, there were:

- (a) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and
- (b) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options.

Audit Committee

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

- Chua Siew Hwi (Chairman), Independent director
- Kwan Yew Kwong, Kenny, Independent director
- Kazuo Jozeph Takeda, Independent director

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held five meetings 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;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

DIRECTORS' STATEMENT

Year ended 30 June 2026

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 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.

In appointing our auditors for the Company and subsidiaries, we have complied with Rules 712 and 715 of the SGX Listing Manual.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Christopher Reid Borch

Director

Kyle Christopher Borch

Director

26 August 2026

INDEPENDENT AUDITORS' REPORT

Members of the Company
Micro-Mechanics (Holdings) Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Micro-Mechanics (Holdings) Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2026, 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, as set out on pages 132 to 175.

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 30 June 2026, 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 '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also 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 year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Micro-Mechanics (Holdings) Ltd.

Impairment of Property, Plant and Equipment ("PPE") and Right-of-Use ("ROU") assets of Micro-Mechanics Inc. ("MMUS")'s cash-generating unit ("CGU")

(Refer to Note 4 to the financial statements)

<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
The Group has PPE and ROU assets with a carrying amount of \$21.0 million (2025: \$20.7 million). While MMUS's CGU had generated profits in the current financial year, the CGU had been loss-making for the past few financial years. Management identified this as an impairment indicator on the PPE and ROU assets within this CGU. Accordingly, the Group performed an impairment assessment on MMUS's PPE and ROU assets by estimating the recoverable amount of the CGU based on value in use ("VIU") method. The determination of the recoverable amount involves estimation uncertainty and is a key focus area of our audit.	Our procedures in relation to management's impairment assessment included, among others: • Reviewed management's assessment of existence of impairment indicators, which among others, include observable indicators that the assets value has declined, any adverse economic effect on the CGU and evidence of obsolescence. • Obtained an understanding of management's computation and assumptions used in determining the recoverable amount of MMUS. • Assessed the reasonableness of management's key assumptions made in the discounted cash flow ("DCF") model by comparing the key assumptions in the DCF model against available market data and/or historical performances of MMUS. • Performed sensitivity analysis on the DCF model. • Reviewed the disclosures included in the financial statements against the requirements of the accounting standards. We found management's process of assessing for impairment indicators to be appropriate, estimates used to determine recoverable amounts to be balanced and disclosures to be adequate.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Micro-Mechanics (Holdings) Ltd.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report except for Shareholders' statistics (the "Reports") which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information we obtained prior to the date of this auditors' report, 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.

When we read the Reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

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.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Micro-Mechanics (Holdings) Ltd.

Auditors' 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 auditors' 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Micro-Mechanics (Holdings) Ltd.

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 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 auditors' 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 a subsidiary corporation 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 auditors' report is Tan Khai Boon.

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

26 August 2026

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

		Group		Company	
	Note	2026	2025	2026	2025
		\$	\$	\$	\$
Assets					
Property, plant and equipment	4	18,499,816	18,723,133	–	–
Right-of-use assets	4	2,475,660	2,023,633	–	–
Investment property	5	–	–	–	–
Subsidiaries	6	–	–	29,095,544	29,095,544
Trade and other receivables	8	672,661	390,038	–	–
Deferred tax assets	12	13,676	13,636	–	–
Non-current assets		<u>21,661,813</u>	<u>21,150,440</u>	<u>29,095,544</u>	<u>29,095,544</u>
Inventories	7	4,889,283	3,135,468	–	–
Trade and other receivables	8	17,134,609	13,275,453	41,788	503,347
Cash and bank balances	9	30,137,938	23,283,594	9,729,657	9,354,448
Current assets		<u>52,161,830</u>	<u>39,694,515</u>	<u>9,771,445</u>	<u>9,857,795</u>
Total assets		<u>73,823,643</u>	<u>60,844,955</u>	<u>38,866,989</u>	<u>38,953,339</u>
Shareholders' equity					
Share capital	10	14,782,931	14,782,931	14,782,931	14,782,931
Reserves	11	42,661,268	34,430,260	22,876,576	23,276,494
Total equity		<u>57,444,199</u>	<u>49,213,191</u>	<u>37,659,507</u>	<u>38,059,425</u>
Liabilities					
Deferred tax liabilities	12	1,605,099	1,434,528	711,350	357,938
Provisions	14	829,287	865,399	–	–
Lease liabilities	15	1,045,142	923,763	–	–
Non-current liabilities		<u>3,479,528</u>	<u>3,223,690</u>	<u>711,350</u>	<u>357,938</u>
Trade and other payables	13	9,259,698	5,791,767	487,207	527,525
Lease liabilities	15	1,510,918	1,139,053	–	–
Current tax liabilities		2,129,300	1,477,254	8,925	8,451
Current liabilities		<u>12,899,916</u>	<u>8,408,074</u>	<u>496,132</u>	<u>535,976</u>
Total liabilities		<u>16,379,444</u>	<u>11,631,764</u>	<u>1,207,482</u>	<u>893,914</u>
Total equity and liabilities		<u>73,823,643</u>	<u>60,844,955</u>	<u>38,866,989</u>	<u>38,953,339</u>

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 June 2026

	Note	2026 \$	2025 \$
Revenue	16	75,524,012	65,210,675
Cost of sales		(36,588,900)	(32,992,161)
Gross profit		38,935,112	32,218,514
Other income		371,451	326,821
Distribution expenses		(3,462,499)	(3,008,726)
Administrative expenses		(10,207,539)	(9,531,672)
Other operating expenses		(3,851,570)	(3,438,028)
Results from operating activities		21,784,955	16,566,909
Finance income		204,923	228,460
Finance expense		(439,276)	(442,588)
Net finance expense		(234,353)	(214,128)
Profit before tax	17	21,550,602	16,352,781
Tax expense	18	(5,641,726)	(3,957,313)
Profit for the year		15,908,876	12,395,468
Profit attributable to:			
Owners of the Company		15,908,876	12,395,468
Profit for the year		15,908,876	12,395,468
Earnings per share:			
Basic and diluted earnings per share (in cents)	19	11.44	8.92
Other comprehensive income			
Item that is or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences from foreign operations		1,254,576	(911,556)
Item that will not be reclassified to profit or loss:			
Remeasurement on retirement benefits	14	47,167	(746)
Related tax	12	(1,118)	388
Other comprehensive income for the year, net of tax		1,300,625	(911,914)
Total comprehensive income for the year		17,209,501	11,483,554
Total comprehensive income attributable to:			
Owners of the Company		17,209,501	11,483,554
Total comprehensive income for the year		17,209,501	11,483,554

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 June 2026

	Share capital \$	Foreign currency translation reserve \$	Accumulated remeasurement on retirement benefits \$	Statutory reserve \$	Accumulated profits \$	Total \$
At 1 July 2024	14,782,931	(2,096,610)	33,553	1,263,008	32,088,665	46,071,547
Total comprehensive income for the year						
Profit for the year	–	–	–	–	12,395,468	12,395,468
Other comprehensive income						
Foreign currency translation differences	–	(910,745)	(811)	–	–	(911,556)
Remeasurement on retirement benefits, net of tax	–	–	(358)	–	–	(358)
Total other comprehensive income	–	(910,745)	(1,169)	–	–	(911,914)
Total comprehensive income for the year	–	(910,745)	(1,169)	–	12,395,468	11,483,554
Transactions with owners, recognised directly in equity						
Interim dividend of 3.0 cents per share (tax-exempt) in respect of current financial year	–	–	–	–	(4,170,955)	(4,170,955)
Final dividend of 3.0 cents per share (tax-exempt) in respect of previous financial year	–	–	–	–	(4,170,955)	(4,170,955)
Total transactions with owners	–	–	–	–	(8,341,910)	(8,341,910)
At 30 June 2025	14,782,931	(3,007,355)	32,384	1,263,008	36,142,223	49,213,191

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 June 2026

	Share capital \$	Treasury shares \$	Foreign currency translation reserve \$	Accumulated remeasurement on retirement benefits \$	Statutory reserve \$	Accumulated profits \$	Total \$
At 1 July 2025	14,782,931	–	(3,007,355)	32,384	1,263,008	36,142,223	49,213,191
Total comprehensive income for the year							
Profit for the year	–	–	–	–	–	15,908,876	15,908,876
Other comprehensive income							
Foreign currency translation differences	–	–	1,257,753	(3,177)	–	–	1,254,576
Remeasurement on retirement benefits, net of tax	–	–	–	46,049	–	–	46,049
Total other comprehensive income	–	–	1,257,753	42,872	–	–	1,300,625
Total comprehensive income for the year	–	–	1,257,753	42,872	–	15,908,876	17,209,501
Transactions with owners, recognised directly in equity							
Treasury shares acquired	–	(636,583)	–	–	–	–	(636,583)
Interim dividend of 3.0 cents per share (tax-exempt) in respect of current financial year	–	–	–	–	–	(4,170,955)	(4,170,955)
Final dividend of 3.0 cents per share (tax-exempt) in respect of previous financial year	–	–	–	–	–	(4,170,955)	(4,170,955)
Total transactions with owners	–	(636,583)	–	–	–	(8,341,910)	(8,978,493)
At 30 June 2026	14,782,931	(636,583)	(1,749,602)	75,256	1,263,008	43,709,189	57,444,199

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 June 2026

	2026 \$	2025 \$
Cash flows from operating activities		
Profit for the year	15,908,876	12,395,468
Adjustments for:		
Depreciation of property, plant and equipment	5,835,041	6,162,677
Depreciation of investment property	–	3,446
Gain on disposal of property, plant and equipment	(3,999)	(5,598)
Property, plant and equipment written off	8,085	23,286
Doubtful debts written off	2,698	–
Interest income	(204,923)	(228,460)
Interest expense on lease liabilities	166,119	84,170
Inventories written off	73,452	165,655
Service cost from retirement benefits	28,663	29,827
Interest cost from retirement benefits	31,981	33,204
Unwind of discount on reinstatement costs	20,591	19,491
Tax expense	5,641,726	3,957,313
	<u>27,508,310</u>	<u>22,640,479</u>
Changes in:		
Inventories	(1,706,953)	545,282
Trade and other receivables	(3,618,250)	(1,862,307)
Trade and other payables	1,650,461	657,786
Cash generated from operations	23,833,568	21,981,240
Retirement benefits paid	(40,762)	(40,127)
Tax paid	(4,879,435)	(3,660,202)
Net cash from operating activities	<u>18,913,371</u>	<u>18,280,911</u>
Cash flows from investing activities		
Interest received	210,587	211,628
Purchase of property, plant and equipment	(2,139,965)	(1,445,912)
Proceeds from disposal of property, plant and equipment	4,000	5,605
Net cash used in investing activities	<u>(1,925,378)</u>	<u>(1,228,679)</u>
Cash flows from financing activities		
Deposit released	–	14,578
Dividends paid	(8,341,910)	(8,341,910)
Interest paid	(166,119)	(84,170)
Payment of lease liabilities	(1,472,017)	(1,484,344)
Treasury shares acquired	(636,583)	–
Net cash used in financing activities	<u>(10,616,629)</u>	<u>(9,895,846)</u>
Net increase in cash and cash equivalents	6,371,364	7,156,386
Cash and cash equivalents at beginning of the year	23,132,344	16,409,971
Effect of exchange rate fluctuations on cash held	475,230	(434,013)
Cash and cash equivalents at end of the year (Note 9)	<u>29,978,938</u>	<u>23,132,344</u>

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 26 August 2026.

1 DOMICILE AND ACTIVITIES

Micro-Mechanics (Holdings) Ltd. (the "Company") is incorporated and domiciled in Singapore and its shares are publicly traded on the Mainboard of the Singapore Exchange. The address of the Company's registered office is 31 Kaki Bukit Place, Eunos Techpark, Singapore 416209.

The financial statements of the Group as at and for the year ended 30 June 2026 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The Group primarily manufactures precision consumable tools and parts used in critical processing applications for the semiconductor industry.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") issued by the Accounting Standards Council Singapore. The changes to material accounting policies are described in Note 2.5.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions about the future, including climate-related risks and opportunities, that affect the application of the Group's 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 and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognised prospectively.

Management is of the opinion that there are no critical judgements made in applying the entity's accounting policies that have a significant risk of resulting in a material adjustment within the next financial year.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

2 BASIS OF PREPARATION (continued)

2.4 Use of estimates and judgements (continued)

Impairment on non-financial assets

The Group and the Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there is any objective evidence or indication that the non-financial assets may be impaired. This determination and derivation of the relevant inputs requires significant judgement. The impairment assessment takes into account the market value of the asset, changes to the technological, market, economic or legal environment in which the Group and the Company operates, market interest rates, evidence of obsolescence or physical damage to the asset and changes to the expected usage to the asset. When value in use calculations is undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Judgement and estimates are required in the determination of appropriate inputs to derive at forecasted cash flows and the discount rate.

The carrying amounts of the Group's and the Company's non-financial assets are disclosed in the following notes:

- Note 4 – Property, plant and equipment and right-of-use assets
- Note 6 – Investments in subsidiaries

2.5 Changes in material accounting policies

New accounting standards and amendments

The Group has applied Amendments to SFRS(I) 1-21 *Lack of Exchangeability* for the first time for the annual period beginning on 1 July 2025. The application of these amendments to accounting standards does not have a material effect on the financial statements.

3 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 2.5, which addresses changes in material accounting policies.

3.1 Basis of consolidation

(i) **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.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

3 MATERIAL ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transactions gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the 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.

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 exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates 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 ("OCI"). 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 reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely 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 OCI, and are presented in the translation reserve as equity.

3.3 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. If significant 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.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

3 MATERIAL ACCOUNTING POLICIES (continued)

3.3 Property, plant and equipment (continued)

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised 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.

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

• Leasehold properties	50 to 60 years
• Plant and equipment	5 to 10 years
• Furniture, fittings and office equipment	5 years
• Motor vehicles	5 years

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

3.4 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or 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.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of useful life of the right-of-use asset or the end of the lease term. 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 asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

3 MATERIAL ACCOUNTING POLICIES (continued)

3.4 Leases (continued)

(i) As a lessee (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option, or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases of machineries that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

The Group recognises rental income received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'other income'. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

3 MATERIAL ACCOUNTING POLICIES (continued)

3.5 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost principle, 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 selling expenses.

3.6 Financial instruments

(i) Non-derivative financial assets

Recognition, initial measurement, classification, subsequent measurement and derecognition

Financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or fair value through profit or loss ("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. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

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.

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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

3 MATERIAL ACCOUNTING POLICIES (continued)

3.6 Financial instruments (continued)

(i) Non-derivative financial assets (continued)

Assessment whether contractual cash flows are solely payments of principal and interest

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.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows from the financial asset in a transaction in which either substantially all the risks and rewards of ownership of the financial asset are transferred; or 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 consolidated 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.

(ii) Non-derivative financial liabilities

Recognition, initial measurement, classification, subsequent measurement and derecognition

Financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

3 MATERIAL ACCOUNTING POLICIES (continued)

3.6 Financial instruments (continued)

(iii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated 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.

(iv) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term fixed 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 consolidated statement of cash flows, cash and cash equivalents exclude deposits pledged with the financial institutions as collateral which form an integral part of the Group's cash management.

(v) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction of equity. Repurchased shares are classified as treasury shares and are presented in the Treasury shares account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction presented in non-distributable capital reserve.

(vi) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. Derivatives are recognised initially at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

3 MATERIAL ACCOUNTING POLICIES (continued)

3.7 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost ('cash and bank balances' and 'trade and other receivables').

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.

For all trade receivables, the Group measures loss allowances at an amount equal to lifetime ECLs, except for cash and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which is measured as 12-month ECLs.

For other financial instruments, the Group measures loss allowances at an amount equal to 12-month ECLs at initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and 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, including forward looking information.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

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

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

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

Year ended 30 June 2026

3 MATERIAL ACCOUNTING POLICIES (continued)

3.7 Impairment (continued)

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, 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 cash-generating unit ("CGU") exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. 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 first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then 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.

3.8 Employee benefits

(i) 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 services are rendered by employees.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset).

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA from a recognised rating agency that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid. In countries where there is no deep market in such bonds, the market yields on the government bonds shall be used.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

3 MATERIAL ACCOUNTING POLICIES (continued)

3.8 Employee benefits (continued)

(ii) Defined benefit plans (continued)

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

Remeasurements of the net defined benefit liability comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in OCI and all expenses related to defined benefit plans in employee benefits expense in profit or loss.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs.

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement.

(iii) Short-term 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 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.

(iv) Unconsumed leave

Employees' entitlement for unconsumed leave is recognised as a liability.

3.9 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance expenses.

3.10 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 it relates to items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including 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*.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

3 MATERIAL ACCOUNTING POLICIES (continued)

3.10 Income tax (continued)

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 also includes any tax arising from dividends.

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
 - at the time of the transaction (i) affects neither accounting nor taxable profit or loss; and (ii) does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments 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 assets and liabilities are offset only if certain criteria are met.

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.

3.11 Revenue

Revenue from the manufacture and sale of precision tools and parts is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over the product to a customer.

3.12 Finance income and finance expense

Interest income or expense is recognised as it accrues in profit or loss, using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

3 MATERIAL ACCOUNTING POLICIES (continued)

3.13 Dividends

Dividends to the Company's shareholders are recognised when the obligation to pay dividends is established. Dividends on ordinary shares classified as equity are accounted for as movements in the accumulated profits.

3.14 Government grants

An unconditional government grant related to computer software and equipment is recognised initially as deferred income at fair value. The grant is then recognised in profit or loss as other income on a systematic basis over the useful life of the asset. Grant that compensates the Group for expenses incurred is recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised.

3.15 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. 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 the effects of all dilutive potential ordinary shares.

3.16 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 the transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Executive Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's Executive Directors 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 Group's headquarters), head office expenses, and tax assets and liabilities.

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

3.17 New accounting standards and interpretations not adopted

A number of new accounting standards and amendments to standards are effective for annual periods beginning after 1 July 2025 and earlier application is permitted. However, the Group has not early adopted the new or amended accounting standards in preparing these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

3 MATERIAL ACCOUNTING POLICIES (continued)

3.17 New accounting standards and interpretations not adopted (continued)

(i) SFRS(I) 18: *Presentation and Disclosure in Financial Statements*

SFRS(I) 18 will replace SFRS(I) 1-1: *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures ("MPMs") are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

The Group is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

(ii) Other accounting standards

The following new SFRS(I) and amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- Amendments to SFRS(I) 9 and SFRS(I) 7: *Classification and Measurement of Financial Instruments*
- Annual Improvements to SFRS(I)s – Volume 11
- Amendments to SFRS(I) 9 and SFRS(I) 7: *Contracts Referencing Nature-dependent Electricity*
- SFRS(I) 19: *Subsidiaries without Public Accountability: Disclosures*
- Amendments to SFRS(I) 1-21 *Translation to a Hyperinflationary Presentation Currency*
- Amendments to SFRS(I) 1-28 *Amendments to the Fair Value Option for Investments in Associates and Joint Ventures*

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

4 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold properties \$	Plant and equipment \$	Furniture, fittings and office equipment \$	Motor vehicles \$	Assets under construction \$	Total \$
Cost						
At 1 July 2024	19,145,409	65,630,405	6,603,876	171,748	2,906	91,554,344
Additions	1,949,699	762,837	380,981	–	–	3,093,517
Disposals	–	(261,681)	(508,884)	(48,466)	–	(819,031)
Derecognition due to termination of lease	(81,182)	–	–	–	–	(81,182)
Reclassification from investment property (Note 5)	625,439	78,025	90,866	–	–	794,330
Translation differences	(280,838)	(1,496,158)	(19,287)	(11,387)	(177)	(1,807,847)
At 30 June 2025	21,358,527	64,713,428	6,547,552	111,895	2,729	92,734,131
Additions	2,110,620	1,247,447	483,033	–	1,853,942	5,695,042
Disposals	–	(407,571)	(279,436)	–	–	(687,007)
Derecognition due to termination of lease	(687,958)	–	–	–	–	(687,958)
Reclassification	–	2,755	–	–	(2,755)	–
Translation differences	233,283	1,318,411	110,648	(1,228)	12,226	1,673,340
At 30 June 2026	23,014,472	66,874,470	6,861,797	110,667	1,866,142	98,727,548
Accumulated depreciation and impairment loss						
At 1 July 2024	12,298,332	49,675,874	5,494,199	115,706	–	67,584,111
Depreciation	1,906,559	3,828,465	406,273	21,380	–	6,162,677
Disposals	–	(253,812)	(493,461)	(48,465)	–	(795,738)
Derecognition due to termination of lease	(81,182)	–	–	–	–	(81,182)
Reclassification from investment property (Note 5)	353,525	78,024	86,358	–	–	517,907
Translation differences	(216,678)	(1,169,175)	(5,134)	(9,423)	–	(1,400,410)
At 30 June 2025	14,260,556	52,159,376	5,488,235	79,198	–	71,987,365
Depreciation	1,967,228	3,422,685	424,936	20,192	–	5,835,041
Disposals	–	(402,799)	(276,122)	–	–	(678,921)
Derecognition due to termination of lease	(687,958)	–	–	–	–	(687,958)
Translation differences	141,669	1,059,476	96,050	(650)	–	1,296,545
At 30 June 2026	15,681,495	56,238,738	5,733,099	98,740	–	77,752,072
Carrying amounts						
At 1 July 2024	6,847,077	15,954,531	1,109,677	56,042	2,906	23,970,233
At 30 June 2025	7,097,971	12,554,052	1,059,317	32,697	2,729	20,746,766
At 30 June 2026	7,332,977	10,635,732	1,128,698	11,927	1,866,142	20,975,476

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

4 PROPERTY, PLANT AND EQUIPMENT (continued)

Property, plant and equipment comprise owned and leased assets.

The Group leases factory building with a contract term of two to three years.

	Group	
	2026	2025
	\$	\$
Property, plant and equipment – owned	18,499,816	18,723,133
Right-of-use assets	2,475,660	2,023,633
	<u>20,975,476</u>	<u>20,746,766</u>

Right-of-use assets are included in the following category of property, plant and equipment:

	Group	
	Leasehold properties	
	2026	2025
	\$	\$
Cost		
At 1 July	7,732,563	6,102,665
Additions	1,935,861	1,870,808
Derecognition due to termination of lease	(687,958)	(81,182)
Translation differences	74,608	(159,728)
At 30 June	<u>9,055,074</u>	<u>7,732,563</u>
Accumulated depreciation		
At 1 July	5,708,930	4,432,317
Depreciation	1,513,387	1,424,328
Derecognition due to termination of lease	(687,958)	(81,182)
Translation differences	45,055	(66,533)
At 30 June	<u>6,579,414</u>	<u>5,708,930</u>
Carrying amounts	<u>2,475,660</u>	<u>2,023,633</u>

Impairment assessment

During the year, the Company carried out a review of the recoverable amount of Micro-Mechanics Inc. ("MMUS")'s property, plant and equipment as it was mostly loss-making prior to 2025 and turned profitable only in the recent financial years. The recoverable amount was determined based on value in use method. As a result of the review, no impairment loss was recognised in profit or loss during the year (and in prior year).

The key assumptions used in the estimation of the recoverable amount are set out below:

	Group	
	2026	2025
	%	%
Discount rate	17.7	13.7
Budgeted EBITDA margin (average of next five years)	<u>25.7</u>	<u>20.2</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

5 INVESTMENT PROPERTY

	Group 2025 \$
Cost	
At 1 July	755,002
Reclassification to property, plant and equipment (Note 4)	(794,330)
Translation differences	39,328
At 30 June	—
Accumulated depreciation	
At 1 July	488,989
Depreciation	3,446
Reclassification to property, plant and equipment (Note 4)	(517,907)
Translation differences	25,472
At 30 June	—
Carrying amounts	—

In October 2024, the Group transferred its investment property to property, plant and equipment, because it was ceased to earn rental income and is now owner-occupied. At the date of reclassification, the Group reclassified its cost and accumulated depreciation to property, plant and equipment for its subsequent accounting.

Amounts recognised in profit or loss

	Group 2025 \$
Rental income (Note 17)	32,811
Direct operating expenses	(3,528)

6 SUBSIDIARIES

	Company 2026 \$	2025 \$
Equity investments, at cost	35,527,955	35,527,955
Less: Impairment losses	(6,432,411)	(6,432,411)
	<u>29,095,544</u>	<u>29,095,544</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

6 SUBSIDIARIES (continued)

The details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation and business	Percentage of equity held by the Group	
			2026 %	2025 %
Micro-Mechanics Pte Ltd ¹	Manufacturing of precision tools	Singapore	100	100
Micro-Mechanics Technology Sdn Bhd ²	Manufacturing of precision tools	Malaysia	100	100
Micro-Mechanics Technology International, Inc. ³	Manufacturing of precision tools	The Philippines	100	100
Micro-Mechanics Technology (Suzhou) Co. Ltd ²	Manufacturing of precision tools	People's Republic of China	100	100
Micro-Mechanics Inc. ⁴ ("MMUS")	Manufacturing of precision components and modules and sale of precision tools	United States of America	100	100

¹ Audited by KPMG LLP, Singapore.

² Audited by other member firms of KPMG International.

³ Audited by Roxas Cruz Tagle and Co.

⁴ Audited by Fiondella, Milone & LaSaracina LLP.

KPMG LLP is the auditor of all significant Singapore-incorporated subsidiaries. Other member firms of KPMG International are auditors of significant foreign-incorporated subsidiaries except for MMUS which is audited by Fiondella, Milone & LaSaracina LLP. 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.

Impairment assessment

During the year, the Company carried out a review of the recoverable amount of its investment in MMUS as it was mostly loss-making prior to 2025 and turned profitable only in the recent financial years. The recoverable amount was determined based on value in use method. As a result of the review, no additional impairment loss was recognised in profit or loss during the year (and in prior year).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

7 INVENTORIES

	Group	
	2026	2025
	\$	\$
Raw materials	1,498,770	755,462
Work-in-progress	2,424,901	1,295,582
Finished goods	965,612	1,084,424
	<u>4,889,283</u>	<u>3,135,468</u>

During the year, raw materials and changes in finished goods and work-in-progress recognised in cost of sales amounted to \$25,402,326 (2025: \$22,359,986).

8 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2026	2025	2026	2025
	\$	\$	\$	\$
Trade receivables	16,182,547	12,454,636	–	–
Amount due from a subsidiary (non-trade)	–	–	–	460,311
Other receivables	33,170	29,057	8,400	23,477
Deposits	413,627	390,038	–	–
Advances to suppliers	400,921	32,974	–	–
Prepayments	678,144	681,414	33,388	19,559
GST receivables	94,371	72,937	–	–
Forward exchange contracts	4,490	4,435	–	–
Total	<u>17,807,270</u>	<u>13,665,491</u>	<u>41,788</u>	<u>503,347</u>
Comprise of:				
Non-current	672,661	390,038	–	–
Current	<u>17,134,609</u>	<u>13,275,453</u>	<u>41,788</u>	<u>503,347</u>
	<u>17,807,270</u>	<u>13,665,491</u>	<u>41,788</u>	<u>503,347</u>

The Group's non-current trade and other receivables of \$672,661 (2025: \$390,038) was arising from security deposits and advance payment made to suppliers to purchase plant and equipment.

Amount due from subsidiaries is non-trade in nature, unsecured, interest-free, and has no fixed terms of repayment. The amounts are classified as current as the Company expects to receive payment within the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

9 CASH AND BANK BALANCES

	Group		Company	
	2026	2025	2026	2025
	\$	\$	\$	\$
Cash at banks and on hand	26,390,962	16,058,469	9,729,657	3,354,448
Short-term deposits	3,746,976	7,225,125	–	6,000,000
Cash and bank balances	30,137,938	23,283,594	9,729,657	9,354,448
Less: Deposits pledged	(159,000)	(151,250)		
Cash and cash equivalents in the consolidated statement of cash flows	29,978,938	23,132,344		

The deposits pledged are pertaining to banker's guarantees issued by a subsidiary in Malaysia.

10 SHARE CAPITAL

	Group and Company	
	2026	2025
	\$	\$
Issued and fully paid ordinary shares, with no par value		
139,031,881 ordinary shares at beginning and end of the year	14,782,931	14,782,931

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of total equity attributable to owners of the Company. The Board of Directors monitors the return on capital, which the Group defines as total shareholders' equity, as well as the level of dividends to ordinary shareholders.

The Group aims to obtain an optimal capital structure by balancing capital efficiency and financial flexibility. The Group manages the capital structure in the light of changes in economic conditions and the risk characteristics of the underlying assets.

There were no changes in the Group's approach in capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements, except for the statutory reserve as disclosed in Note 11.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

10 SHARE CAPITAL (continued)

Dividends

The following dividends were declared and paid by the Group and the Company:

For the year ended 30 June

	Group and Company	
	2026	2025
	\$	\$
Paid by the Company to owners of the Company		
Final tax-exempt dividend paid of 3.0 cents (2025: 3.0 cents) per share in respect of previous financial year	4,170,955	4,170,955
Interim tax-exempt dividend paid of 3.0 cents (2025: 3.0 cents) per share in respect of current financial year	4,170,955	4,170,955
	<u>8,341,910</u>	<u>8,341,910</u>

After the reporting date, the following dividends were proposed by the directors. The dividends have not been provided for, and there are no income tax consequences.

	Group and Company	
	2026	2025
	\$	\$
Final proposed tax-exempt dividend of 3.0 cents (2025: 3.0 cents) per share	<u>4,163,456</u>	<u>4,170,955</u>

11 RESERVES

Foreign currency translation reserve

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

Accumulated remeasurement on retirement benefits

The accumulated remeasurement on retirement benefits comprise actuarial gains and losses which are recognised immediately in other comprehensive income in the period which they arise.

Statutory reserve

In accordance with the Company Law of the People's Republic of China ("PRC"), the Group's PRC subsidiaries are required to appropriate 10% of their profit after taxation to a statutory surplus reserve until such reserve balance reaches 50% of the registered capital. The statutory surplus reserve can be used to offset prior years' losses, if any, and may be converted into paid-up capital, provided that the balance after such conversion is not less than 25% of the registered capital of the PRC subsidiary.

Treasury shares

Treasury shares comprises the cost of the Company's shares held by the Group. At 30 June 2026, the Group held 215,000 (2025: Nil) of the Company's shares.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

12 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities and the movements in deferred tax balances are attributable to the following:

Group	At 1 July \$	Recognised in profit or loss (Note 18) \$	Recognised in other comprehensive income \$	Translation differences \$	At 30 June \$
2026					
Property, plant and equipment	1,238,859	(152,170)	–	26,510	1,113,199
Right-of-use assets	32,180	139,022	–	–	171,202
Lease liabilities	(36,301)	(140,025)	–	–	(176,326)
Others	186,154	299,180	1,118	(3,104)	483,348
	<u>1,420,892</u>	<u>146,007</u>	<u>1,118</u>	<u>23,406</u>	<u>1,591,423</u>
2025					
Property, plant and equipment	1,378,668	(166,855)	–	27,046	1,238,859
Right-of-use assets	96,849	(64,669)	–	–	32,180
Lease liabilities	(102,977)	66,676	–	–	(36,301)
Others	36,885	154,500	(388)	(4,843)	186,154
	<u>1,409,425</u>	<u>(10,348)</u>	<u>(388)</u>	<u>22,203</u>	<u>1,420,892</u>

During the year, the Company's deferred tax liabilities of \$353,412 (2025: \$118,575) for temporary differences related to investments in subsidiaries was recognised in profit or loss.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. The amounts determined after appropriate offsetting are included in the consolidated statement of financial position as follows:

	Group		Company	
	2026 \$	2025 \$	2026 \$	2025 \$
Deferred tax liabilities	1,605,099	1,434,528	711,350	357,938
Deferred tax assets	<u>(13,676)</u>	<u>(13,636)</u>	<u>–</u>	<u>–</u>
Net deferred tax liabilities	<u>1,591,423</u>	<u>1,420,892</u>	<u>711,350</u>	<u>357,938</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

13 TRADE AND OTHER PAYABLES

	Group		Company	
	2026	2025	2026	2025
	\$	\$	\$	\$
Trade payables	1,461,720	797,405	–	–
Other payables	2,542,858	623,992	52,507	55,572
Amount owing to a subsidiary	–	–	–	878
Accrued expenses	5,073,203	4,252,881	434,700	471,075
Advances from customers	148,922	116,996	–	–
Forward exchange contracts	32,995	493	–	–
	<u>9,259,698</u>	<u>5,791,767</u>	<u>487,207</u>	<u>527,525</u>

Accrued expenses consist of payroll related accruals, withholding tax payables and other accruals.

Included in other payables was an amount relating the purchase of property, plant and equipment of \$1,630,358 (2025: Nil).

14 PROVISIONS

	Group	
	2026	2025
	\$	\$
Non-current		
Reinstatement costs	385,623	365,032
Retirement benefits	443,664	500,367
	<u>829,287</u>	<u>865,399</u>

Provision for reinstatement costs

	Group	
	2026	2025
	\$	\$
At 1 July	365,032	345,541
Unwind of discount on reinstatement costs	20,591	19,491
At 30 June	<u>385,623</u>	<u>365,032</u>

The Group has made a provision to reinstate the right-of-use assets to the original condition at end of the lease term. The provision is due within 1 to 3 years (2025: 1 to 2 years) and is classified as non-current liabilities.

Provision for retirement benefits

The Group has an unfunded, non-contributory defined benefits retirement plan covering its permanent employees. Costs are determined in accordance with the actuarial studies made for the plan. Annual cost is determined using the projected unit credit method. The Group's latest actuarial valuation date is 30 June 2026.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

14 PROVISIONS (continued)

Provision for retirement benefits (continued)

The following table shows the reconciliation from the opening balances to the closing balances of the retirement benefits liability recognised in the consolidated statement of financial position.

	Group	
	2026	2025
	\$	\$
At 1 July	500,367	489,111
Included in profit or loss		
Current service cost	28,663	29,827
Interest cost	31,981	33,204
	<u>60,644</u>	<u>63,031</u>
Included in other comprehensive income		
Remeasurements arising from:		
Experience adjustment	(18,634)	10,594
Change in financial assumptions	(28,533)	(9,848)
	<u>(47,167)</u>	<u>746</u>
Benefits paid (direct payments)	<u>(40,762)</u>	<u>(40,127)</u>
Translation differences	<u>(29,418)</u>	<u>(12,394)</u>
At 30 June	<u>443,664</u>	<u>500,367</u>

The principal actuarial assumptions at the reporting date (expressed as weighted averages) are as follows:

	Group	
	2026	2025
	%	%
Discount rate	7.22	6.62
Salary increase rate	<u>5.00</u>	<u>5.00</u>

The discount rate assumption is based on the Bankers Association of the Philippines's PHP Bloomberg BVAL Reference Rates benchmark reference curve for the government securities market as of the valuation dates (or latest available), considering the average years of remaining working life of the employees as the estimated term of the benefit obligation.

The weighted-average duration of the retirement benefits obligation is 10.0 (2025: 10.6) years.

Assumptions regarding future mortality have been based on published statistics and mortality tables.

Funding Policy

Benefit claims under the retirement benefits obligation are paid directly by the Group when they become due. The Group did not make contributions in 2026.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

14 PROVISIONS (continued)

Provision for retirement benefits (continued)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefits obligation by the amounts shown below.

Group	2026		2025	
	1% Increase	1% Decrease	1% Increase	1% Decrease
	\$	\$	\$	\$
Discount rate	(41,297)	47,697	(48,884)	57,091
Salary increase rate	48,288	(42,486)	57,452	(50,023)

While the Group believes that, the assumptions are reasonable and appropriate, significant differences between actual experience and assumptions may materially affect the recognised income and expenses and related assets or obligations.

The retirement benefits obligation is exposed to actuarial and longevity risks.

Maturity profile

No future benefits payments are expected until the financial year 2030.

15 LEASES

Leases as lessee

The Group leases factory building. The leases typically run for a period of two to three years, with an option to renew the lease after that date. Lease payments are renegotiated upon renewal to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices.

Right-of-use assets

The Group's movement of right-of-use assets is disclosed in Note 4.

Lease liabilities

	Group	
	2026	2025
	\$	\$
Maturity analysis – contractual undiscounted cash flows		
Less than one year	1,620,245	1,286,721
One to two years	739,631	756,881
Two to three years	345,373	61,694
Total undiscounted lease liabilities	2,705,249	2,105,296
Lease liabilities included in the consolidated statement of financial position		
Current	1,510,918	1,139,053
Non-current	1,045,142	923,763
Total	2,556,060	2,062,816

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

15 LEASES (continued)

Leases as lessee (continued)

Amounts recognised in profit or loss

	Group	
	2026	2025
	\$	\$
Interest on lease liabilities	166,119	84,170
Expenses relating to short term leases	7,322	6,830
Expenses related to leases of low value assets, excluding short term leases of low value assets	<u>9,132</u>	<u>8,398</u>

Amounts recognised in consolidated statement of cash flows

	Group	
	2026	2025
	\$	\$
Total cash outflow for leases	<u>1,654,590</u>	<u>1,583,742</u>

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

	Group	
	2026	2025
	\$	\$
At 1 July	2,062,816	1,771,560
Changes from financing cash flows		
Payment of lease liabilities	(1,472,017)	(1,484,344)
Interest paid	<u>(166,119)</u>	<u>(84,170)</u>
Total changes from financing cash flows	<u>(1,638,136)</u>	<u>(1,568,514)</u>
Other changes		
New leases	1,935,861	1,870,808
Interest expense	166,119	84,170
Translation differences	<u>29,400</u>	<u>(95,208)</u>
Total other changes	<u>2,131,380</u>	<u>1,859,770</u>
At 30 June	<u>2,556,060</u>	<u>2,062,816</u>

16 REVENUE

Group revenue reflects the sales of precision tools and parts and represents the value of goods invoiced to third parties.

The following table provides 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	Revenue comprises sale of precision tools and parts.
When revenue is recognised	Revenue from the sale of goods is recognised at a point in time when goods are delivered to the customers' site and all criteria of acceptance have been satisfied.
Significant payment terms	Invoices are typically issued upon delivery of goods and are payable within 30 to 60 days.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

17 PROFIT BEFORE TAX

The following items are included in at the Group's profit before tax:

	Group	
	2026	2025
	\$	\$
Other income:		
– Gain on disposal of property, plant and equipment	3,999	5,598
– Government grants	19,216	29,171
– Rental income	–	32,811
– Others	348,236	259,241
	<u>371,451</u>	<u>326,821</u>
Staff costs:		
– Salaries, bonuses and other costs	23,354,901	20,634,516
– Contribution to defined contribution plans	1,987,870	1,729,779
	<u>25,342,771</u>	<u>22,364,295</u>
Audit fees:		
– auditors of the Company	197,400	188,000
– other member firms of the auditors of the Company	60,761	56,803
– other auditors	71,363	88,845
Non-audit fees:		
– auditors of the Company	14,850	15,600
– other member firms of the auditors of the Company	3,943	4,088
– other auditors	37,114	34,526
Depreciation of property, plant and equipment	5,835,041	6,162,677
Depreciation of investment property	–	3,446
Directors' remuneration:		
– directors of the Company	1,019,605	1,263,333
– other directors	629,012	606,711
Doubtful debts written off	2,698	–
Expenses relating to short term leases	7,322	6,830
Expenses related to leases of low value assets, excluding short term leases of low value assets	9,132	8,398
Inventories written off	73,452	165,655
Property, plant and equipment written off	<u>8,085</u>	<u>23,286</u>
Finance income:		
– Interest income	<u>204,923</u>	<u>228,460</u>
Finance expense:		
– Bank charges	90,964	92,326
– Foreign currency exchange losses, net	161,602	246,601
– Interest on lease liabilities	166,119	84,170
– Unwind of discount on restoration cost provision	20,591	19,491
	<u>439,276</u>	<u>442,588</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

18 TAX EXPENSE

	Group	
	2026	2025
	\$	\$
Current tax expense		
Current year	5,431,642	4,047,340
Changes in estimates related to prior years	64,077	(79,679)
	<u>5,495,719</u>	<u>3,967,661</u>
Deferred tax expense (Note 12)		
Origination and reversal of temporary differences	139,292	(41,018)
Changes in estimates related to prior years	6,715	30,670
	<u>146,007</u>	<u>(10,348)</u>
Tax expense	<u>5,641,726</u>	<u>3,957,313</u>
Reconciliation of effective tax rate		
Profit before tax	<u>21,550,602</u>	<u>16,352,781</u>
Tax using the Singapore tax rate at 17%	3,663,602	2,779,973
Effect of tax rate in foreign jurisdictions	1,491,053	929,416
Effect of tax incentives granted	(7,204)	(10,533)
Non-deductible expenses	294,099	295,936
Non-taxable income	(26,575)	(28,491)
Changes in estimates related to prior years	70,792	(49,009)
Recognition of tax effect of previously unrecognised tax losses	(17,697)	(199,701)
Withholding tax paid in foreign jurisdictions	168,238	172,497
Others	<u>5,418</u>	<u>67,225</u>
Tax expense	<u>5,641,726</u>	<u>3,957,313</u>

Unrecognised deferred tax assets

During the year, Micro-Mechanics Inc. recorded a profit before tax of US\$49,186 (equivalent to \$63,248) [2025: profit before tax of US\$888,703 (equivalent to \$1,174,710)]. The tax losses brought forward are subject to agreement with the tax authorities and compliance with tax regulations in the jurisdiction in which the subsidiary operate. Cumulative deferred tax assets with respect to taxable losses of US\$8,448,426 (equivalent to \$10,939,867) [2025: US\$8,497,612 (equivalent to \$10,831,906)] have not been recognised because it is not probable that future taxable profit will be available against which the subsidiary can utilise the benefits.

Tax losses of US\$6,621,975 (equivalent to \$8,574,795) [2025: US\$6,671,161 (equivalent to \$8,503,729)] expire in 2032 to 2038 (2025: 2032 to 2038), and the remaining tax losses do not expire under current tax legislation.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

19 EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	Group	
	2026	2025
	\$	\$
Profit attributable to ordinary shareholders		
Profit for the year, attributable to the owners of the Company	15,908,876	12,395,468
Weighted-average number of ordinary shares		
Number of shares outstanding during the year	139,005,629	139,031,881

There is no difference between the basic earnings per ordinary share and the diluted earnings per ordinary share because there are no potentially dilutive ordinary shares at the end of the financial year.

20 RELATED PARTIES

Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The directors and the facility heads of the Company and its subsidiaries are considered as key management personnel of the Group.

Key management personnel compensation comprised:

	Group	
	2026	2025
	\$	\$
Short-term benefits of key management personnel	2,406,816	2,461,149
Defined contribution and defined benefit plans	68,176	63,158
	<u>2,474,992</u>	<u>2,524,307</u>

Transactions with key management personnel

The Group has an agreement with Sarcadia LLC, a shareholder of the Company and a company which is controlled by Christopher Reid Borch, a director of the Company, for the lease of a premise which is used as the office of Micro-Mechanics, Inc. The Group entered into an additional agreement with Sarcadia LLC in 2019 for the provision of electrical services. During the year, the Group made lease payments of \$806,645 (2025: \$742,036) and electrical services payments of \$270,039 (2025: \$277,583) to Sarcadia LLC. As at 30 June 2026, the amount of lease liability recognised for the lease of building is \$778,160 (2025: \$1,473,335). The balance is not secured and is payable under normal payment terms.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

21 COMMITMENTS

Apart from the obligations set out elsewhere in the consolidated financial statements, the Group had the following commitments as at reporting date:

	Group 2026 \$	2025 \$
Capital commitments:		
– authorised but not contracted for	<u>2,609,906</u>	<u>113,772</u>

22 FINANCIAL RISK MANAGEMENT

Overview

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

- credit risk;
- liquidity risk; and
- 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 the 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.

Credit risk

Credit risk is the risk of financial loss to the Group or the Company 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 the Company's non-trade amount due from subsidiaries.

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

Trade receivables

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 of the industry and country in which customers operate, as these factors may have an influence on credit risk.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

22 FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

Trade receivables (continued)

Exposure to credit risk

The exposure to credit risk for the Group's trade receivables and the Company's non-trade amount due from subsidiaries at the reporting date by type of customer was as follows:

	Group		Company	
	2026	2025	2026	2025
	\$	\$	\$	\$
Distributors	179,743	185,684	–	–
Direct customers	16,002,804	12,268,952	–	–
Subsidiaries	–	–	–	460,311
	<u>16,182,547</u>	<u>12,454,636</u>	<u>–</u>	<u>460,311</u>

The exposure to credit risk for the Group's trade receivables and the Company's non-trade amount due from subsidiaries at the reporting date by geographic region was as follows:

	Group		Company	
	2026	2025	2026	2025
	\$	\$	\$	\$
Singapore	1,595,567	1,094,752	–	–
Europe	394,013	272,121	–	–
Japan	131,293	127,666	–	–
Malaysia	3,610,490	2,709,471	–	–
People's Republic of China	6,391,852	4,896,210	–	–
Philippines	671,331	460,040	–	460,311
Taiwan	956,118	705,728	–	–
Thailand	174,678	200,547	–	–
United States of America	2,167,616	1,926,480	–	–
Others	89,589	61,621	–	–
	<u>16,182,547</u>	<u>12,454,636</u>	<u>–</u>	<u>460,311</u>

Expected credit loss assessment for customers

The ECLs were calculated based on actual credit loss experience over the past 3 years. The Group performed the calculation of ECL rates separately for distributors, subsidiaries and other customers. The Group considers the model and some of the assumptions used in calculating these ECLs as key sources of estimation uncertainty.

The Group and the Company has assessed that the amount of the allowance on these balances is negligible. The Group and the Company did not have significant overdue or credit impaired trade receivables as at reporting date.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

22 FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

Trade receivables (continued)

Expected credit loss assessment for customers (continued)

An analysis of the ageing of the Group's trade receivables and the Company's non-trade amount due from subsidiaries that are not impaired is as follows:

	Group		Company	
	2026	2025	2026	2025
	\$	\$	\$	\$
Current	13,054,383	9,729,689	–	–
Past due 1 to 30 days	2,748,412	2,283,355	–	–
Past due 31 to 60 days	309,357	406,081	–	–
Past due more than 60 days	70,395	35,511	–	460,311
	<u>16,182,547</u>	<u>12,454,636</u>	<u>–</u>	<u>460,311</u>

Other financial assets at amortised cost

For the purpose of impairment assessment, the other financial assets at amortised cost, such as deposits and other receivables, are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. The amount of the allowance on other financial assets at amortised cost is negligible.

Cash and bank balances

The cash and bank balances are held with bank and financial institution counterparties which are reputable and regulated.

Impairment on cash and bank balances has been measured on the 12-month ECL basis and reflects the short maturities of the exposures. The Group considers that its cash and bank balances have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and bank balances is negligible.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

22 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

The Group maintains the line of credit amounting to \$1,000,000 (2025: \$1,000,000) overdraft facility that is unsecured. Interest would be payable at 1.25% (2025: 1.25%) above the DBS Bank Prime rate. At the reporting date, the Group has no outstanding payable on the line of credit.

Exposure to liquidity risk

The following are the remaining contractual maturities of non-derivative financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments:

	Carrying amount \$	Contractual cash flows \$	Within 1 year \$
Group			
2026			
Forward exchange contracts	(28,505)		
– Gross payments		(2,861,732)	(2,861,732)
– Gross receipts		2,833,227	2,833,227
	(28,505)	(28,505)	(28,505)
Trade and other payables*	(4,825,998)	(4,825,998)	(4,825,998)
2025			
Forward exchange contracts	3,942		
– Gross payments		(2,854,892)	(2,854,892)
– Gross receipts		2,858,834	2,858,834
	3,942	3,942	3,942
Trade and other payables*	(2,047,200)	(2,047,200)	(2,047,200)
Company			
2026			
Trade and other payables	(145,207)	(145,207)	(145,207)
2025			
Trade and other payables	(134,525)	(134,525)	(134,525)

* Excluding advances from customers, payroll related accruals, withholding tax payables and forward exchange contracts.

The maturity analysis shows the contractual undiscounted cash flows of the Group's financial liabilities on the basis of their earliest possible contractual maturity.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

22 FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

Currency risk

The Group is exposed to foreign currency risk relates to the countries in which the subsidiaries operate. The Group endeavours to minimise such exposures as far as possible by matching assets and liabilities of the same currency although there is no formal hedging policy. The currencies in which these transactions primarily are denominated are the United States dollar ("USD"), Japanese Yen ("JPY") and Philippine Peso ("PHP").

As at 30 June 2026, the Group had outstanding foreign exchange contracts with notional amounts of approximately \$2,833,227 (2025: \$2,858,834) to manage exposure to foreign currency fluctuation.

Exposure to currency risk

The summary of quantitative data about the exposure to currency risk as reported to the management of the Group and the Company is as follows:

	USD \$	JPY \$	PHP \$
Group			
2026			
Trade and other receivables	3,564,831	131,293	–
Cash and bank balances	1,137,343	8,577	–
Trade and other payables	(157,134)	(2,711)	–
Net exposure	<u>4,545,040</u>	<u>137,159</u>	<u>–</u>
2025			
Trade and other receivables	2,618,110	127,666	–
Cash and bank balances	668,068	13,149	–
Trade and other payables	(45,051)	(1,463)	–
Net exposure	<u>3,241,127</u>	<u>139,352</u>	<u>–</u>
Company			
2026			
Trade and other receivables	–	–	–
Cash and bank balances	15,917	–	–
Net exposure	<u>15,917</u>	<u>–</u>	<u>–</u>
2025			
Trade and other receivables	–	–	460,311
Cash and bank balances	76,990	–	–
Net exposure	<u>76,990</u>	<u>–</u>	<u>460,311</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

22 FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

Currency risk (continued)

Sensitivity analysis

A 10% strengthening of Singapore dollar against the following currencies at the reporting date would increase/(decrease) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	2026 \$	2025 \$
Group		
USD	(454,504)	(324,113)
JPY	(13,716)	(13,935)
Company		
USD	(1,592)	(7,699)
PHP	–	(46,031)

A 10% weakening of Singapore dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate.

The Group and the Company is not exposed to interest rate risk as it has no significant interest-earnings financial assets and no significant interest-bearing financial liabilities.

Measurement of fair values

Some of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. In 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 the fair value hierarchy, based on the inputs used in the following valuation techniques:

- 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).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

22 FINANCIAL RISK MANAGEMENT (continued)

Measurement of fair values (continued)

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

	Note	Group		Company	
		2026	2025	2026	2025
		\$	\$	\$	\$
Financial assets measured at amortised cost					
Trade and other receivables [#]	8	16,629,344	12,873,731	8,400	483,788
Cash and bank balances	9	30,137,938	23,283,594	9,729,657	9,354,448
		<u>46,767,282</u>	<u>36,157,325</u>	<u>9,738,057</u>	<u>9,838,236</u>
Financial assets measured at fair value					
Forward exchange contracts					
– asset	8	<u>4,490</u>	<u>4,435</u>	<u>–</u>	<u>–</u>
Financial liabilities measured at amortised cost					
Trade and other payables [*]	13	<u>(4,825,998)</u>	<u>(2,047,200)</u>	<u>(145,207)</u>	<u>(134,525)</u>
Financial liabilities measured at fair value					
Forward exchange contracts					
– liability	13	<u>(32,995)</u>	<u>(493)</u>	<u>–</u>	<u>–</u>

Excluding advances to suppliers, prepayments, GST receivables and forward exchange contracts.

* Excluding advances from customers, payroll related accruals, withholding tax payables and forward exchange contracts

Valuation techniques

The fair values of forward exchange contracts are based on financial institutions quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments. This instrument is categorised under Level 2 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

23 SEGMENT REPORTING

The Group has three (2025: three) reportable segments. These strategic business units are managed separately because of different marketing and management strategies. For each of the strategic business units, the Group's Executive Directors review internal management reports regularly.

The following describes the operations in each of the Group's reportable segments:

- Consumable tools – focus on the design and manufacturing of miniature consumable tools used in the assembly and testing of semiconductors;
- Wafer fabrication equipment ("WFE") parts – focus primarily on making parts for semiconductor wafer fabrication equipment and
- Corporate and others – pertaining to corporate functions and others.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's Executive Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments.

Information about reportable segments

	Consumable tools \$	WFE parts \$	Corporate and others \$	Total \$
2026				
External revenue	60,397,896	15,126,116	–	75,524,012
Inter-segment revenue	22,767	975	(23,742)	–
Total revenue	<u>60,420,663</u>	<u>15,127,091</u>	<u>(23,742)</u>	<u>75,524,012</u>
Results from operating activities	22,119,310	653,527	(987,882)	21,784,955
Finance income	59,212	91,020	54,691	204,923
Finance expense	(321,724)	(94,800)	(22,752)	(439,276)
Tax expense	(5,111,358)	(4,495)	(525,873)	(5,641,726)
Profit/(Loss) for the year	<u>16,745,440</u>	<u>645,252</u>	<u>(1,481,816)</u>	<u>15,908,876</u>
Segment assets	49,841,601	14,210,597	9,771,445	73,823,643
Segment liabilities	<u>11,287,859</u>	<u>3,884,102</u>	<u>1,207,483</u>	<u>16,379,444</u>
Other segment information:				
Capital expenditure	1,496,821	2,262,360	–	3,759,181
Depreciation	3,936,014	1,899,027	–	5,835,041
Non-current assets	<u>15,606,059</u>	<u>6,055,754</u>	<u>–</u>	<u>21,661,813</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

23 SEGMENT REPORTING (continued)

Information about reportable segments (continued)

	Consumable tools \$	WFE parts \$	Corporate and others \$	Total \$
2025				
External revenue	50,425,069	14,785,606	–	65,210,675
Inter-segment revenue	2,239	734	(2,973)	–
Total revenue	<u>50,427,308</u>	<u>14,786,340</u>	<u>(2,973)</u>	<u>65,210,675</u>
Results from operating activities	16,364,728	1,130,991	(928,810)	16,566,909
Finance income	53,342	80,707	94,411	228,460
Finance expense	(373,217)	(36,987)	(32,384)	(442,588)
Tax expense	<u>(3,659,466)</u>	<u>(1,506)</u>	<u>(296,341)</u>	<u>(3,957,313)</u>
Profit/(Loss) for the year	<u>12,385,387</u>	<u>1,173,205</u>	<u>(1,163,124)</u>	<u>12,395,468</u>
Segment assets	38,936,026	12,511,445	9,397,484	60,844,955
Segment liabilities	<u>8,349,382</u>	<u>2,389,346</u>	<u>893,036</u>	<u>11,631,764</u>
Other segment information:				
Capital expenditure	1,172,269	50,440	–	1,222,709
Depreciation	4,218,306	1,947,817	–	6,166,123
Non-current assets	<u>15,536,195</u>	<u>5,614,245</u>	<u>–</u>	<u>21,150,440</u>

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 geographical location of the assets.

	Group	
	2026 \$	2025 \$
Revenue		
Singapore	5,987,704	5,725,603
Malaysia	13,967,862	12,138,393
Philippines	4,142,735	3,196,138
People's Republic of China	25,827,987	20,400,917
Taiwan	4,128,387	3,949,062
United States of America	16,037,473	14,573,982
Others	<u>5,431,864</u>	<u>5,226,580</u>
	<u>75,524,012</u>	<u>65,210,675</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2026

23 SEGMENT REPORTING (continued) Geographical information (continued)

	Group	
	2026	2025
	\$	\$
Non-current assets		
Singapore	8,178,616	7,783,625
Malaysia	3,346,270	3,718,544
Philippines	995,652	1,389,137
People's Republic of China	3,085,521	2,644,889
United States of America	6,055,754	5,614,245
	<u>21,661,813</u>	<u>21,150,440</u>

Major customers

No customers contribute more than 10% to Group revenue in the current financial year. In the previous financial year, revenues from one customer of the Group's Wafer Fabrication Equipment Parts segments represents \$6,293,896 of the Group's total revenue.

SHAREHOLDERS' STATISTICS

As at 11 September 2026

SHARE CAPITAL

Number of Shares (excluding treasury shares)	:	138,781,881
Number/Percentage of Treasury shares	:	250,000 (0.18%)
Number/Percentage of Subsidiary holdings	:	0 (0.00%)
Class of Shares	:	Fully paid ordinary shares
Voting Rights	:	On a poll – 1 vote for each ordinary share held

Based on the information available to the Company as at 11 September 2026, the percentage of shareholding held in the hands of the public is approximately 50.23% which is more than 10% of the issued ordinary shares of the Company. Therefore Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

SUBSTANTIAL SHAREHOLDERS AS AT 11 SEPTEMBER 2026

Name	Shareholdings beneficially held by the substantial shareholder		Other shareholdings in which the substantial shareholder is deemed to have an interest	
	No. of Shares	%	No. of Shares	%
1 Christopher Reid Borch	18,235,169*	13.14%	41,900,000**	30.19%
2 Sarcadia LLC	41,800,000*	30.12%	–	–
3 Andrea W. Borch***	–	–	41,800,000	30.12%
4 Kyle Christopher Borch***	3,925,000*	2.83%	41,800,000	30.12%
5 Tyler Campbell Borch***	1,675,000*	1.21%	41,800,000	30.12%
6 Cameron Louis Borch***	1,675,000*	1.21%	41,800,000	30.12%
7 Allison Ruth Borch***	1,675,000*	1.21%	41,800,000	30.12%

* These shares are held in the name of their nominee, Citibank Nominees Singapore Pte Ltd

** Deemed to be interested in 41,800,000 shares held by Sarcadia LLC and 100,000 shares held by his children (under joint tenant account).

*** Deemed to be interested in 41,800,000 shares held by Sarcadia LLC under its nominee account.

ANALYSIS OF SHAREHOLDERS BY RANGE AS AT 11 SEPTEMBER 2026

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued share capital
1 – 99	24	1.14	755	0.00
100 – 1,000	596	28.35	402,800	0.29
1,001 – 10,000	1,133	53.80	4,823,372	3.48
10,001 – 1,000,000	337	16.00	22,306,920	16.07
1,000,001 and above	15	0.71	111,248,034	80.16
Total	2,105	100.00	138,781,881	100.00

SHAREHOLDERS' STATISTICS

As at 11 September 2026

TWENTY LARGEST SHAREHOLDERS AS AT 11 SEPTEMBER 2026

Name	No. of Shares	% of Issued share capital
1 Citibank Nominees Singapore Pte Ltd	77,595,104	55.91
2 DBS Nominees Pte Ltd	6,201,482	4.47
3 HSBC (Singapore) Nominees Pte Ltd	4,890,250	3.52
4 Lam Yen Yong	3,404,000	2.45
5 Chew Kwai Yoke	2,740,500	1.97
6 BPSS Nominees Singapore (Pte) Ltd	2,650,600	1.91
7 Raffles Nominees (Pte) Limited	2,378,883	1.71
8 Low Ming Wah	1,996,701	1.44
9 Tan Eng Yam Holdings Pte Ltd	1,602,700	1.15
10 Tan Boon Khak Holdings Pte Ltd	1,541,100	1.11
11 Maybank Securities Pte Ltd	1,380,369	0.99
12 Tan Leng Oei	1,360,700	0.98
13 Tan Seck Wei	1,320,700	0.95
14 IFAST Financial Pte Ltd	1,095,945	0.79
15 Yeap Lam Yang	1,089,000	0.78
16 UOB Overseas Bank Nominees Pte Limited	889,300	0.64
17 UOB Kay Hian Pte Ltd	873,702	0.63
18 MooMoo Financial Singapore Pte Ltd	819,335	0.59
19 Yeo Seng Chong	787,500	0.57
20 Phillip Securities Pte Ltd	710,010	0.51
Total	115,327,881	83.07

NOTICE OF THIRTIETH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirtieth Annual General Meeting (the “**AGM**” or the “**Meeting**”) of the Company will be held at Level 3, Rooms 308-309 Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard Singapore 039593 on Monday, 26 October 2026 at 2.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 30 June 2026 together with the Directors’ Statement and the Auditors’ Report thereon. **[Resolution 1]**
2. To approve a tax exempt (one-tier) final dividend of three cents per ordinary share for the financial year ended 30 June 2026. **[Resolution 2]**
3. To approve the payment of Directors’ fees of S\$342,000 for the financial year ended 30 June 2026. (2025: S\$393,000) **[Resolution 3]**
4. To re-elect Mr Kazuo Jozeph Takeda, a Director retiring pursuant to Regulation 97 of the Company’s Constitution.
(See Explanatory Note 1) **[Resolution 4]**
5. To re-elect Ms Chua Siew Hwi, a Director retiring pursuant to Regulation 97 of the Company’s Constitution.
(See Explanatory Note 1) **[Resolution 5]**
6. To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **[Resolution 6]**
7. To transact any other business that may be transacted at an AGM.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolution, with or without modifications:

8. **Authority to allot and issue shares in the capital of the Company** **[Resolution 7]**

That pursuant to Section 161 of the Companies Act 1967 (the “**Companies Act**”), the Constitution and the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), authority be and is hereby given to the Directors of the Company to:

- (a)
 - (i) allot and issue shares in the capital of the Company (“**Shares**”) (whether by way of rights, bonus or otherwise); and/or
 - (ii) make or grant offers, agreements, or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares,

NOTICE OF THIRTIETH ANNUAL GENERAL MEETING

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares issued other than on a pro-rata basis to existing shareholders (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 10% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below); and
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution, after adjusting for:–
 - (a) new Shares arising from the conversion or exercise of convertible securities or from the exercise of share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the SGX-ST Listing Manual; and
 - (b) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the listing rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
(See *Explanatory Note 2*)

NOTICE OF THIRTIETH ANNUAL GENERAL MEETING

9. The proposed renewal of the Share Buy-Back Mandate

[Resolution 8]

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as defined below), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:
 - (i) on-market purchases ("**Market Purchases**") on the SGX-ST or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted (the "**Other Exchange**"); and/or
 - (ii) off-market purchases ("**Off-Market Purchases**") (if effected otherwise than on the SGX-ST or, as the case may be, the other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,and otherwise in accordance with all other laws and regulations, as well as rules of the SGX-ST or, as the case may be, the Other Exchange, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy-Back Mandate**").
- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
 - (i) the date on which the next Annual General Meeting of the Company is held;
 - (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; or
 - (iii) the date on which the purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated;

NOTICE OF THIRTIETH ANNUAL GENERAL MEETING

(c) in this Resolution:

“Average Closing Price” means the average of the closing market prices of a Share over the last five (5) market days on which the Shares are transacted on the SGX-ST or, as the case may be, the Other Exchange, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs during the relevant five (5)-market day period and the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase;

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from shareholders, stating therein the purchase price (which shall not be more than the Maximum Price) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

“Maximum Limit” means that number of issued Shares representing not more than ten per cent. (10%) of the total number of issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings); and

“Maximum Price” in relation to a Share to be purchased or otherwise acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a Market Purchase, 105 per cent. (105%) of the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Purchase, 120 per cent. (120%) of the Average Closing Price of the Shares; and

(d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

(See Explanatory Note 3)

NOTICE OF THIRTIETH ANNUAL GENERAL MEETING

10. **Authority to grant awards and to allot and issue shares under the Micro-Mechanics Performance Share Plan 2025** **[Resolution 9]**

That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors to:

- (a) grant awards of fully paid-up Shares ("**Awards**") in accordance with the provisions of the Micro-Mechanics Performance Share Plan 2025 (the "**PSP 2025**"); and
- (b) allot and issue from time to time such number of fully paid-up Shares as may be required to be issued pursuant to the vesting of the Awards granted under the PSP 2025,

provided that the aggregate number of (i) new Shares allotted and issued and/or to be allotted and issued, and existing Shares (including treasury shares) delivered and/or to be delivered, in respect of Awards granted under the PSP 2025, and (ii) all Shares issued and issuable and/or delivered and deliverable in respect of options or awards granted under any other share-based incentive schemes of the Company for the time being in force, shall not exceed fifteen per cent. (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company on the day preceding the grant of the relevant Awards, and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

(See Explanatory Note 4)

11. **The proposed grant of an award of up to 100,000 Shares to Mr Kyle Christopher Borch, a controlling shareholder of the Company, under the Micro-Mechanics Performance Share Plan 2025** **[Resolution 10]**

That:

- (a) the proposed grant of an award of up to 100,000 Shares to Mr Kyle Christopher Borch, a controlling shareholder of the Company, under the PSP 2025 in respect of the financial year ending 30 June 2027 (the "**FY2027 KB Award**") and on the following terms, be and is hereby approved:

Date of Grant : Any time within three (3) months from the date of the Annual General Meeting

Number of Shares which are the subject of the FY2027 KB Award : Up to 100,000 Shares

NOTICE OF THIRTIETH ANNUAL GENERAL MEETING

Release and Vesting of the FY2027 KB Award : Up to 100% within three (3) months after the issuance of the Group's audited financial statements for the financial year ending 30 June 2027

Moratorium : One (1) year from each vesting date, during which such Shares which are allotted and issued or transferred to Mr Kyle Christopher Borch pursuant to the release of the FY2027 KB Award shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except to the extent set out in the award letter or with the prior approval of the Committee administering the PSP 2025

(b) the Directors be and are hereby authorised to:

- (i) allot and issue or transfer such number of Shares to Mr Kyle Christopher Borch as may be required to be delivered upon the release of the FY2027 KB Award, whether in whole or in parts; and
- (ii) do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of the Company to give effect to this Resolution.

(See Explanatory Note 5)

By Order of the Board

Wendy Tan Wei Lee
Nor Hafiza Alwi
Company Secretaries
25 September 2026
Singapore

Explanatory Notes:

1. Ordinary Resolution 4 – Upon re-election as a Director of the Company, Mr Kazuo Jozeph Takeda ("**Mr Kazuo**") will remain as an Independent and Non-Executive Director, as well as the Chairman of the Nominating Committee and a member of the Audit & Risk and Remuneration Committees. He is considered by the Board to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. There are no relationships (including immediate family relationships) between Mr Kazuo and the other Directors of the Company, the Company or its substantial shareholders.

Ordinary Resolution 5 – Upon re-election as a Director of the Company, Ms Chua Siew Hwi ("**Ms Chua**") will remain as an Independent and Non-Executive Director, as well as the Chairperson of the Audit & Risk Committee and a member of the Nominating and Remuneration Committees. She is considered by the Board to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. There are no relationships (including immediate family relationships) between Ms Chua and the other Directors of the Company, the Company or its substantial shareholders.

Further information on the abovementioned directors can be found under the sections titled "Board of Directors", "Corporate Information", "Corporate Governance" and "Additional Information for Directors Seeking Re-election" in the Company's Annual Report 2026.

NOTICE OF THIRTIETH ANNUAL GENERAL MEETING

2. Ordinary Resolution 7 – If passed, will empower the Directors from the date of this AGM until the date of the next AGM to issue Shares, make or grant instruments convertible into Shares and to issue Shares pursuant to such instruments up to an aggregate number not exceeding 50% of the total number of issued Shares excluding treasury shares and subsidiary holdings, if any, in the capital of the Company, with a sub-limit of 10% for issues other than on a pro-rata basis.
3. Ordinary Resolution 8 – If passed, will empower the Directors to exercise the power of the Company to purchase or otherwise acquire Shares, on the terms and subject to the conditions set out in the Resolution. Further information relating to this Resolution, including the financial effects on the Company and its subsidiaries arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buy-Back Mandate, is set out in the Appendix. Please refer to the Appendix for more details.
4. Ordinary Resolution 9 – If passed, will empower the Directors to offer and grant Awards in accordance with the provisions of the PSP 2025 and to allot and issue Shares pursuant to the vesting of Awards granted under the PSP 2025, provided that the aggregate number of (i) new Shares allotted and issued and/or to be allotted and issued, and existing Shares (including treasury shares) delivered and/or to be delivered, in respect of Awards granted under the PSP 2025, and (ii) all Shares issued and issuable and/or delivered and deliverable in respect of options or awards granted under any other share-based incentive schemes of the Company for the time being in force, shall not exceed fifteen per cent. (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company on the day preceding the grant of the relevant Awards.

This authority will, unless revoked or varied by the Company in a general meeting, continue in force 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. This authority is in addition to the general authority to issue Shares sought under Ordinary Resolution 7.

Approval for the adoption of the PSP 2025 was given by shareholders at an extraordinary general meeting of the Company held on 30 October 2025. Please refer to the Company's circular dated 30 September 2025 for further details.

5. Ordinary Resolution 10 – If passed, will empower the Directors to grant the FY2027 KB Award to Mr Kyle Christopher Borch and to allot and issue or transfer such number of Shares as may be required pursuant to the vesting of the FY2027 KB Award. Specific approval for the participation of Mr Kyle Christopher Borch, who is a controlling shareholder of the Company, in the PSP 2025 was given by the independent shareholders of the Company at an extraordinary general meeting of the Company held on 30 October 2025. Please refer to the Company's circular dated 30 September 2025 for further details. The actual number and terms of the FY2027 KB Award to be granted to Mr Kyle Christopher Borch must be approved by the independent shareholders of the Company in a separate resolution.

Notes:

1. A printed copy of this notice of AGM (the "**Notice**"), Proxy Form and Request Form will be sent to the shareholders. Printed copy of the Company's annual report ("**AR**") and Appendix relating to the Renewal of Share Buy-Back Mandate and Proposed Grant of an Award will not be sent to shareholders, instead, they will be made available to shareholders by electronic means via publication on the Company's website at the URL <https://micro-mechanics.listedcompany.com/> and made available on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. Shareholders have the right to elect whether to receive the AR and Appendix in physical copies by completing the Request Form sent together with the Notice. Please refer to and read the instructions set out in the Request Form carefully.
2. A proxy need not be a member of the Company.
3. The instrument appointing proxy(ies) must be submitted to the Company in the following manner:
 - (a) if submitted via email, be received by the Company's Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com; or
 - (b) if submitted personally or by post, be deposited at the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896

in either case, by **2.00 p.m. on 23 October 2026** (being not less than seventy-two (72) hours before the time appointed for holding the Meeting (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid ("**Proxy Deadline**").

Shareholders are strongly encouraged to submit Proxy Forms electronically via email.

4. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument. If no percentage is specified, the first named proxy shall be treated as representing 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

NOTICE OF THIRTIETH ANNUAL GENERAL MEETING

- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specify in the instrument.
- (c) CPF and SRS investors:
- (i) may 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; or
 - (ii) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM that is by **2.00 p.m. on 15 October 2026**, in order to allow sufficient time for their respective CPF Agent Banks or SRS Operators to in turn submit the Proxy Forms to appoint the Chairman of the AGM to vote on their behalf no later than the Proxy Deadline.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

- 5. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
- 6. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the AGM in order for the Depository to be entitled to attend and vote at the AGM.
- 7. The appointment of a proxy(ies) shall not preclude a shareholder from attending, speaking and voting in person at the AGM. If a shareholder attends the AGM in person, the appointment of a proxy(ies) shall be deemed to be revoked, and the Company reserves the right to refuse to admit such proxy(ies) to the AGM.

IMPORTANT INFORMATION

8. Attendance

The AGM is being convened and will be held physically ("**Physical Meeting**").

9. Voting

Voting on the resolutions tabled at the AGM will be by poll in accordance with the Constitution of the Company.

10. Submission of Questions in Advance

Shareholders may submit their questions related to the resolutions of the AGM by:

- (a) email to investor@micro-mechanics.com; or
- (b) post to the registered office at 31 Kaki Bukit Place, Eunos Techpark, Singapore 416209.

When submitting questions by post or via email, shareholders should also provide the following details: (i) the shareholder's full name; (ii) the shareholder's email address; and (iii) the manner in which the shareholder holds shares in the Company (e.g., via CDP, CPF or SRS) for verification purposes.

All questions must be submitted by **2.00 p.m. on 3 October 2026** ("**Cut-Off Time**").

The Company will endeavor to address all substantial and relevant questions received from shareholders by the Cut-Off Time and publish its response on SGXNET and the Company's website not later than 21 October 2026. Where substantial and relevant questions are unable to be answered prior to the AGM, the Company will address them at the AGM.

Verified shareholders and proxy(ies) attending the Physical Meeting will be able to ask questions in person at the AGM venue.

The Company will publish the minutes of the AGM on SGXNET and the Company's website within one month after the date of the AGM, and the minutes will include the responses to the questions referred to above.

NOTICE OF THIRTIETH ANNUAL GENERAL MEETING

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, or submitting any question prior to the AGM in accordance with the Notice of AGM dated 25 September 2026, a member of the Company (a) 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, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof); (ii) addressing substantial and relevant questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; (iii) preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and (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 (collectively, the "Purposes"), (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (c) 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.

NOTICE OF RECORD DATE FOR DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of Micro-Mechanics (Holdings) Ltd. (the "**Company**") will be closed for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, 77 Robinson Road, #06-03, Robinson 77, Singapore 068896 up to 5.00 p.m. on 6 November 2026 will be registered to determine shareholders' entitlements to the said dividend.

Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 6 November 2026 will be entitled to the proposed dividend.

The proposed dividend, if approved by the shareholders at the AGM of the Company to be held on 26 October 2026, will be paid on 17 November 2026.

MICRO-MECHANICS (HOLDINGS) LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No: 199604632W)

PROXY FORM

IMPORTANT

1. Relevant intermediaries as defined in Section 181 of the Companies Act 1967 may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in Micro-Mechanics (Holdings) Ltd., this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies. CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks/SRS Operators to submit their votes by 2.00 p.m. on 15 October 2026.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the notice of Annual General Meeting dated 25 September 2026.

I/We _____ NRIC/Passport/Co. Registration No. _____
of _____ (Address)
being a member/members of **MICRO-MECHANICS (HOLDINGS) LTD.** hereby appoint

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing him/her/them, the Chairman of the Meeting, as *my/our proxy(ies) to attend, speak and vote for *me/us on *my/our behalf at the Annual General Meeting ("AGM" or the "Meeting") of the Company to be held at Level 3, Rooms 308-309 Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard Singapore 039593 on **Monday, 26 October 2026 at 2.00 p.m.** and at any adjournment thereof. Where a member appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

*I/We direct *my/our proxy(ies) to vote for or against, or to abstain from voting on, the Resolutions to be proposed at the AGM as indicated hereunder.

No.	Resolutions relating to:	For	Against	Abstain
ORDINARY BUSINESS				
1.	Adoption of the Audited Financial Statements for the financial year ended 30 June 2026 together with the Directors' Statement and the Auditors' Report thereon.			
2.	Approval of tax exempt (one-tier) final dividend of three cents per ordinary share for the financial year ended 30 June 2026.			
3.	Approval of Directors' fees of S\$342,000 for the financial year ended 30 June 2026.			
4.	Re-election of Mr Kazuo Jozeph Takeda as a Director of the Company.			
5.	Re-election of Ms Chua Siew Hwi as a Director of the Company.			
6.	Re-appointment of KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.			
SPECIAL BUSINESS				
7.	Authority to allot and issue shares in the capital of the Company.			
8.	The proposed renewal of the Share Buy-Back Mandate.			
9.	Authority to grant awards and allot and issue shares pursuant to the Micro-Mechanics Performance Share Plan 2025.			
10.	The proposed grant of an award of up to 100,000 Shares to Mr Kyle Christopher Borch, a controlling shareholder of the Company, under the Micro-Mechanics Performance Share Plan 2025.			

Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against", or "Abstain" the relevant Resolution(s), please mark an "X" in the relevant box provided. Alternatively, please indicate the number of votes "For", "Against" or "Abstain" for each Resolution in the boxes provided.

Dated this _____ day of _____ 2026

Total no. of Shares in	No. of Shares
(a) Depository Register	
(b) Register of Members	

Signature(s) of Member(s)/
Common Seal of Corporate Member(s)

* Delete where applicable

IMPORTANT: PLEASE READ NOTES FOR PROXY FORM OVERLEAF

NOTES FOR PROXY FORM

1. A member should insert the total number of shares held by him. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares entered against his name in the Depository Register and registered in his name in the Register of Members. If the number of shares is not inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument. If no percentage is specified, the first named proxy shall be treated as representing 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specify in the instrument.
- (c) CPF or SRS investors:
 - (i) may 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; or
 - (ii) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM that is by **2.00 p.m.** on **15 October 2026**, in order to allow sufficient time for their respective CPF Agent Banks or SRS Operators to in turn submit the Proxy Forms to appoint the Chairman of the AGM to vote on their behalf no later than the Proxy Deadline.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

3. A proxy need not be a member of the Company.
4. The instrument appointing proxy(ies) must be submitted to the Company in the following manner:
 - if submitted via email, be received by the Company's Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com; or
 - if submitted personally or by post, be deposited at the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896.in either case, by **2.00 p.m. on 23 October 2026** (being not less than seventy-two (72) hours before the time appointed for holding the Meeting (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid ("**Proxy Deadline**").
5. The instrument appointing a proxy shall be signed by the appointor or his attorney. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid. In the case of a corporation, the instrument appointing a proxy shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.
6. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the meeting.
7. The Company shall be entitled to reject an instrument of proxy which 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 of proxy. In addition, in the case of shares entered in the Depository Register, the Company shall be entitled to reject any instrument of proxy if the member, being the appointor, is not shown to have any shares entered against his name in the Depository Register as at 72 hours before the time of the AGM, as certified by The Central Depository (Pte) Limited to the Company.
8. The appointment of a proxy(ies) shall not preclude a member from attending, speaking and voting in person at the AGM. If a member attends the AGM in person, the appointment of a proxy(ies) shall be deemed to be revoked, and the Company reserves the right to refuse to admit such proxy(ies) to the AGM.

Personal data privacy

By submitting this proxy form, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 25 September 2026.

CORPORATE DIRECTORY

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