

TAT SENG PACKAGING GROUP LTD



BUILDING CAPABILITIES,
SHAPING GROWTH

提升核心能力，塑造成长动力

ANNUAL REPORT 2025

OUR VISION

TO BE THE PREFERRED CORRUGATED
PACKAGING SOLUTION PROVIDER

OUR MISSION

- GENERATE WIN-WIN SOLUTIONS WITH CUSTOMERS
- PROVIDE GROWTH OPPORTUNITIES FOR EMPLOYEES
- CREATE VALUES FOR SHAREHOLDERS
- CARE FOR OUR COMMUNITIES AND ENVIRONMENT



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CHAIRMAN'S STATEMENT



Dear Shareholders,

2025 was a challenging year shaped by ongoing geopolitical tensions and global uncertainty. As the global environment becomes more complex, businesses need to adapt and innovate strategically to navigate risks and headwinds that arise with it.

During the year, we have been closely monitoring the global developments to anticipate the future trends and looked out for new opportunities amid ongoing challenges such as rising costs and labour shortage. Both our Singapore and China operations faced pressure on selling price, with our China business further affected by the weakening of the local currency against the Singapore Dollars ("SGD"). Nevertheless, the Group continued to upgrade our workforce capabilities and invest in technology to raise our productivity and mitigate these challenges.

FINANCIAL HIGHLIGHTS FY2025

Against the backdrop of a challenging business environment, the Group registered 8.9% decrease in revenue to S\$231.4 million in FY2025. Gross profit was down by 14.3% to S\$48.4 million owing to reduction in sales volume and competitive selling price.

Net profit attributable to owners of the Group was 10.3% lower to S\$16.9 million in 2025 as compared to 2024 as the Group strived to control rising costs and expenses.

On a positive note, our cash and cash equivalents excluding bank balances pledged as security rose S\$12.2 million to S\$102.0 million during the reporting period while net asset value per ordinary share gained marginally from S\$1.29 as at 31 December 2024 to S\$1.35 as at 31 December 2025.

DIVIDEND ANNOUNCEMENT

In recognition of our shareholders' support, the Board is pleased to declare a final one-tier tax-exempt dividend of S\$0.05 and a one-tier tax exempt special dividend of S\$0.34 per ordinary share for FY2025, subject to shareholders' approval at the upcoming Annual General Meeting ("AGM"). Upon approval, the proposed dividends will be paid together on 16 June 2026. Taking into consideration the interim dividend of S\$0.01 per ordinary share paid on 12 November 2025, total dividends declared by the Group for the full year would amount to S\$0.40 per ordinary share.

SINGAPORE OPERATIONS

Total revenue for our Singapore operations decreased 7.9% to S\$42.3 million in FY2025, mainly attributed to competitive selling price and a 2.8% reduction in total sales volume (sqm).

In line with the Group's strategy to boost efficiency, we had commenced to consolidate our Singapore operations into a single entity during the year. The business, assets and liabilities of our wholly-owned subsidiary, United Packaging Industries Pte. Ltd. were transferred to the Company on 31 March 2026. This integration streamlines internal processes, provides greater flexibility in manpower management and enhancing the overall operational efficiency of our Singapore operations.

CHINA OPERATIONS

In view of the unfavourable business conditions during the year, total sales volume (sqm) of our China's operations fell by 5.3%, causing our total revenue in China to decline by 9.1% to S\$189.1 million in the Group's reporting currency. Additionally, competitive selling price and the weakening of Renminbi ("RMB") against SGD also contributed to the revenue decrease.

CHAIRMAN'S STATEMENT



Nevertheless, the Group continued in our push to boost productivity through investments in a new corrugator line in our Suzhou plant. The new corrugator, which has commenced operation in October 2025, upgraded our plant capability to offer a more comprehensive range of corrugated packaging solutions, thereby enhancing our potential to attract multinational companies as customers.

SAFETY AND HUMAN RESOURCE DEVELOPMENT

During the year, we conducted various seminars and training programmes as part of our ongoing efforts to improve productivity. To strengthen our human resource management, we conducted seminars for relevant Heads of Departments (HODs) across the Group. This training focused on key areas such as recruiting, retaining, and developing employees, while also reinforcing the trainees' accountability and improving execution for the Group's long-term development.

On the same note, relevant HODs also received training on safety management during the year to refine their abilities to assess and manage work-related incidents effectively, improve investigation and response procedures, as well as implement measures to prevent the recurrence of such incidents.

We believe that such trainings on safety management system are imperative to reduce accidents, increase employee confidence, enhance overall operational efficiency and safeguard the safety of employees and properties.

CORPORATE SOCIAL RESPONSIBILITY EFFORTS

The Group remains committed to contributing positively to society in line with our core values. We integrate social and environmental considerations into our business, as we believe in creating sustainable value for our stakeholders and the society.

During the year, we supported the Singapore Cancer Society through sponsoring our employees to take part in the charity run. We also championed the cause of uplifting underprivileged groups by making cash donations to charity organisations in Singapore and China.

On the environmental front, we reduced our carbon footprint by installing solar panels on the rooftops of our Suzhou and Nantong Plants to generate renewable energy, doing our part to combat climate change.

Through these initiatives, we aim to foster a stronger sense of social responsibility among our employees and encourage them to do their part for the community.

CHAIRMAN'S STATEMENT

RECOGNITION AND AWARDS

Both our Hefei and Tianjin plants have been conferred the High and New Technology Enterprise status for another three years from 2025 to 2027, enabling us to enjoy the preferential income tax rate of 15% during this period.

Concurrently, our Tianjin plant has attained the Food Safety System Certification FSSC 22000 V6, Food Packaging Material. This achievement is a strong testament to the strength of our Tianjin plant's quality assurance framework, which reflects its ability to comply with international food safety standards to fulfil the packaging needs of multinational food and beverage companies.

BUSINESS OUTLOOK

Heightened geopolitical tensions and ongoing trade tensions have added significant uncertainty to the global landscape.

Our Singapore operations face continued challenges amid the current geopolitical factors, including limited expansion capacity and labour shortages. Rising uncertainty is also leading to increased price sensitivity among customers, thereby placing pressure on margins. To manage these challenges, Singapore plant will focus on improving product quality and enhancing customer service to maintain our competitive edge.

In China, overcapacity in the corrugated packaging industry is expected to intensify price competition. Coupled with rising raw material costs, this will continue to impact our performance and margins.

In view of the above factors, the Group will closely monitor market conditions, strengthening cost management, enhancing productivity and increasing automation across our operations. We will also deepen customers relationships to foster collaborations and capture new business opportunities.

Considering the increasingly uncertain macroeconomic conditions, we will continue to monitor our credit exposure and adjust our customers' credit limit, when necessary, to manage our credit risk that may arise from the adverse changes in business markets that we operate.

Looking ahead, we remain committed to improve in safety, quality, efficiency, delivery and service standards to reinforce our market position and expand our market share in the industry.

ACKNOWLEDGEMENTS

I would like to express my appreciation to Mr Loh See Moon, who has retired from his position as Managing Director and Chief Executive Officer of the Group on 2 March 2026. Mr Loh is re-designated as Group Consultant to facilitate the Group's leadership transition and to ensure a smooth handover.

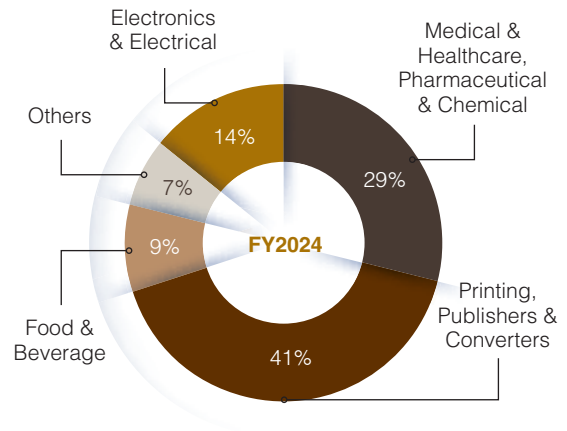
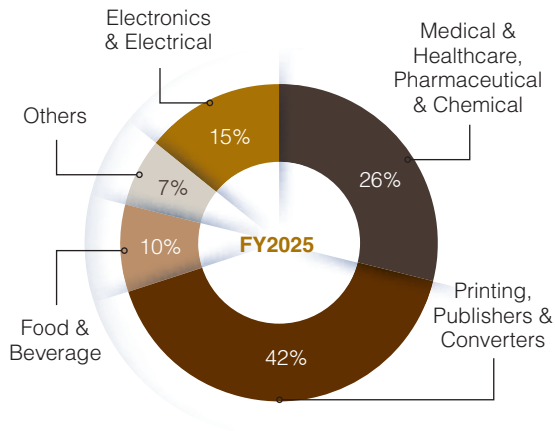
I would like to welcome Ms Chen Zhen, our new Non-Executive and Independent Director appointed on 24 July 2025 as we look forward to a fruitful working relationship at Board level.

On behalf of the Board, I would like to give recognition to our management team and staff, who have remained steadfast in their respective roles and giving their utmost efforts despite the headwinds in 2025. I would also like to give credit to our Board of Directors, valued shareholders, business associates and customers, who has been the Group's bedrock amidst all the challenges in the operating environment. We will push on, riding on the back of our strong fundamentals to emerge stronger and better.

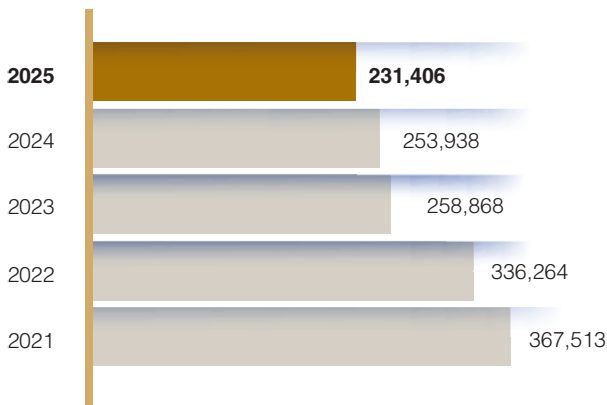
Dr Goi Seng Hui
Executive Chairman

FINANCIAL HIGHLIGHTS

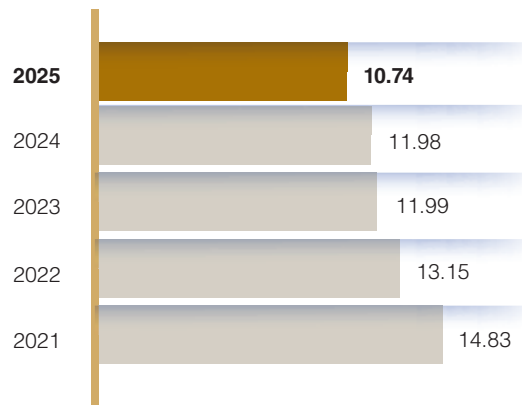
SALES ANALYSIS BY CUSTOMER SECTOR



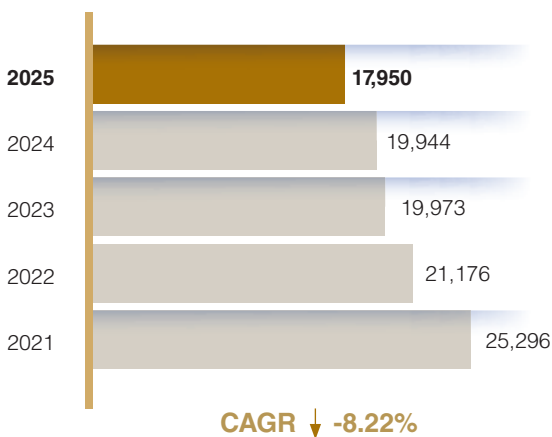
TURNOVER (S\$'000)



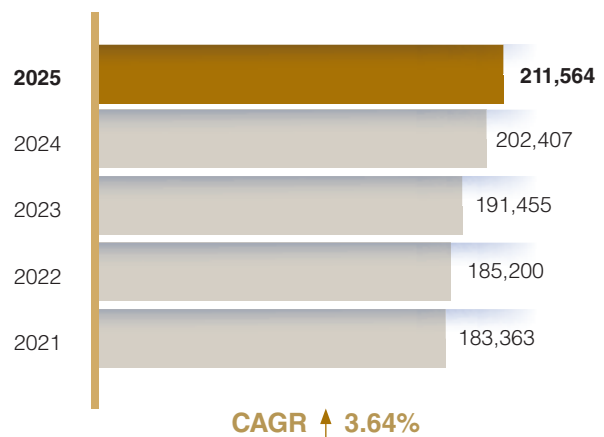
EARNING PER SHARE (CENTS)



PROFIT FOR THE YEAR (S\$'000)



SHAREHOLDERS' EQUITY (S\$'000)



FIVE-YEAR FINANCIAL SUMMARY

FINANCIAL YEAR ENDED 31 DECEMBER

RESULTS OF OPERATIONS		2025	2024	2023	2022	2021
Revenue	(S\$'000)	231,406	253,938	258,868	336,264	367,513
Gross profit	(%)	20.9	22.2	22.1	17.5	18.8
Profit before tax	(S\$'000)	20,943	24,280	25,977	23,799	31,047
Profit attributable to owners of the Company	(S\$'000)	16,887	18,825	18,844	20,668	23,313
Profit for the year	(%)	7.8	7.9	7.7	6.3	6.9
EBITDA	(S\$'000)	32,431	36,250	37,645	36,417	44,098

FINANCIAL INDICATORS		2025	2024	2023	2022	2021
Return on shareholders equity	(%)	8.0	9.3	9.8	11.2	12.7
Earnings per share	(cents)	10.74	11.98	11.99	13.15	14.83
Net asset value per share	(cents)	134.58	128.76	121.79	117.81	116.64
Dividend per share*	(cents)	40.00	6.00	4.50	4.00	4.00
Cash and bank balances	(S\$'000)	110,173	97,469	104,240	82,784	93,703
Net (cash)/debt to equity ratio	(%)	(2.8)	5.3	4.4	11.6	22.9

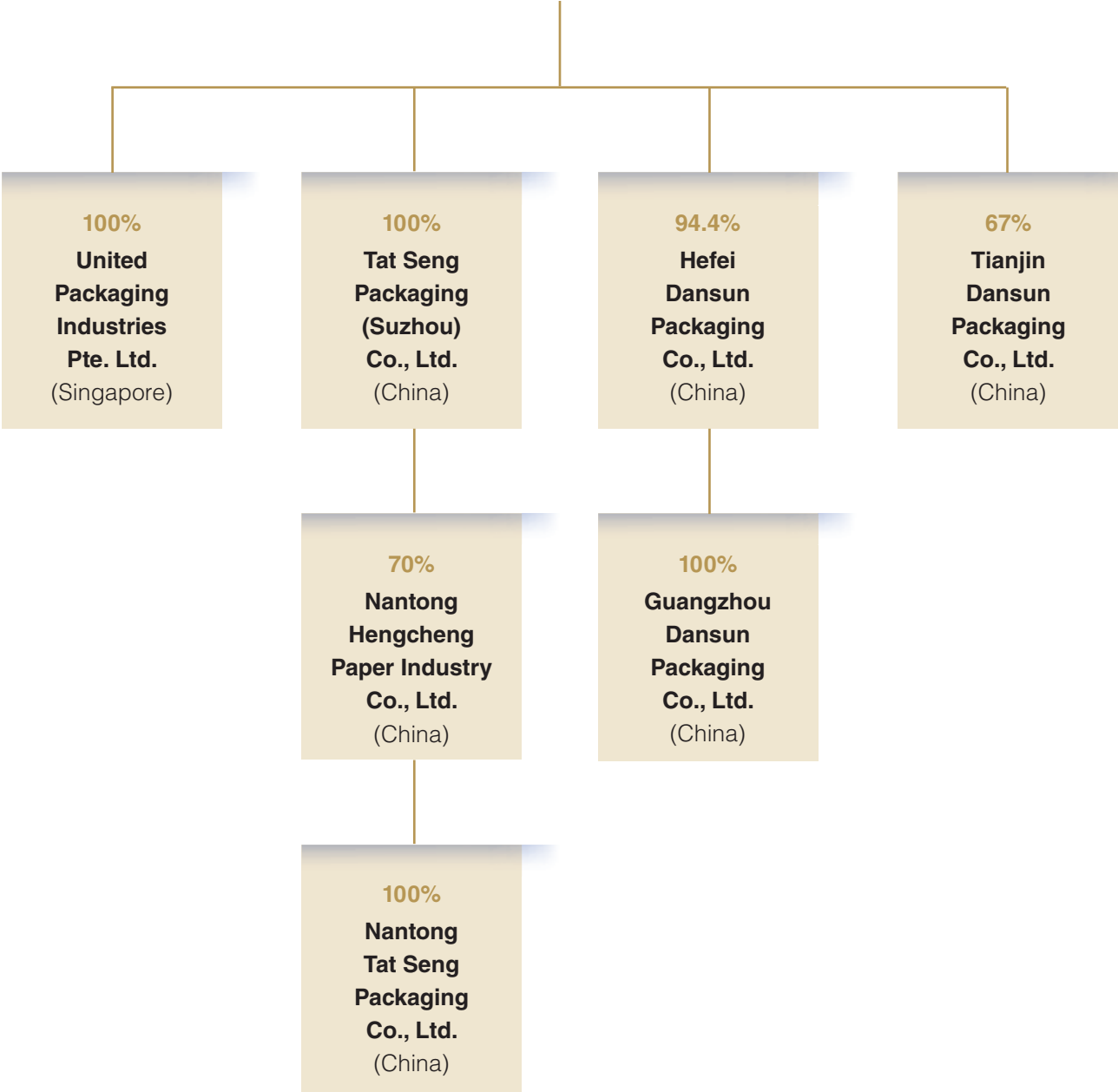
* Based on dividend declared for the financial year

GROUP STRUCTURE

As at 31 December 2025



TAT SENG PACKAGING GROUP LTD



BOARD OF DIRECTORS



Dr Goi Seng Hui

Executive Chairman

Date of first appointment as Director: 23 June 2021

Date of last re-election as Director: 28 April 2023

Dr Goi Seng Hui is the Executive Chairman of Tee Yih Jia Food Manufacturing Pte Ltd, Mainboard-listed GSH Corporation Limited and PSC Corporation Ltd. He is also the Vice Chairman of Mainboard-listed JB Foods Limited and a Non-Executive and Non-Independent Director of Catalyst-listed Tung Lok Restaurants (2000) Ltd.

Dr Goi, who was conferred an Honorary Doctorate from Singapore University of Technology & Design (SUTD) in 2021, is a self-made entrepreneur and has diverse business interests in Singapore, China, Malaysia, Japan, India, Australia, New Zealand, United States, Canada, Europe and other parts of the world.

He is a strong supporter of trade and serves as the Honorary Council Member of the Singapore Chinese Chamber of Commerce & Industry and Honorary Past President of the Enterprise 50 Club. Dr Goi is the Vice Chairman of International Enterprise Singapore's "Network China" Steering Committee, Council Member of the Singapore Jiangsu Cooperation Council and Singapore-Shandong Business Council. He is also Senior Consultant to Su Tong Science and Technology Park in China.

Dr Goi serves in various community and grassroots organisations. He is the Honorary Chairman of Ulu Pandan Citizens' Consultative Committee; Dunman High School Advisory Committee; Singapore Futsing Association and Nanyang Gwee Clan Association. In addition, he is the Honorary President of Kong Hwa School Alumni, Honorary Chairman of Tan Kah Kee Foundation and Honorary Chairman of Sian Chay Medical Institution.

Dr Goi was awarded the Public Service Star (Bar), or BBM (L), by the Singapore Government, and the Panglima Gemilang Darjah Kinabalu (Datuk) by the Sabah Government in 2014, as well as the Long Service Award by Singapore's People's Action Party in 2015. In 2022, he received the PAP Commendation Medal for his contributions to the People's Action Party and country. He also received a Long Service Award for 25 years of service to the Ministry of Social and Family Development in 2023.

He was lauded for his contributions and success as an overseas Chinese by People's Tribune Magazine in Beijing, China in 2017 and was conferred the "Businessman of the Year Award" by Singapore's Business Times in 2014.

One of SUTD's pioneer Board of Trustees, Dr Goi was appointed Patron for Advancement to help steer the University's continued fundraising efforts as well as garner partners and donors who have a heart for nurturing the next generation of leaders and innovators.

Dr Goi was appointed Singapore's Non-Resident Ambassador to the Federative Republic of Brazil on 20 April 2018, and Justice of the Peace by the President of the Republic of Singapore in 2020.

BOARD OF DIRECTORS



Mr Tan Lye Heng Paul
*Non-Executive and
Independent Director*

Date of first appointment as Director: 6 September 2024
Date of last re-election as Director: 25 April 2025

Mr Tan was appointed to the board on 6 September 2024 and is the Chairman of the Audit and Risk Committee and a member of the Nominating and Remuneration Committee.

Mr Tan is currently also Non-Executive and Independent Director of SGX-listed AJJ Medtech Holdings Limited and PSC Corporation Ltd.

Mr Tan has over 25 years of work and academia experience in areas of accounting, auditing, tax advisory, risk and corporate governance and regulatory compliance. He is currently the Chairman of Nexia Singapore PAC and Managing Director of CA Trust PAC.

Mr Tan holds an MBA from the University of Birmingham of the United Kingdom. He is a Fellow member of the Institute of Singapore Chartered Accountants and the Association of Chartered Certified Accountants, and a member of the Institute of Chartered Accountants England and Wales, Singapore Chartered Tax Professionals Limited and Singapore Institute of Directors. He is also a licensed Insolvency Practitioner.



Mr Kong WeiLi
*Non-Executive and
Independent Director*

Date of first appointment as Director: 1 March 2019
Date of last re-election as Director: 28 April 2023

From March 2019 to February 2021, Mr Kong WeiLi was a Non-Executive and Independent Director of Tat Seng Packaging Group Ltd.

Mr Kong WeiLi was re-appointed as Director on 23 June 2021. He is the Non-Executive and Independent Director, the Chairman of Remuneration Committee and a member of Nominating Committee and Audit and Risk Committee of the Company.

Currently, Mr Kong is a Financial Advisor.

Mr Kong was the Plant Financial Controller of Sanmina-SCI Systems Singapore Pte. Ltd. from 2018 to 2019 and during the period from 2008 to 2015, Mr Kong worked as Financial Controller of SMOE Pte Ltd (a subsidiary of Sembcorp Marine Ltd), a company specialising in Turnkey EPCIC, Offshore platforms and Topside modules fabrication, installation and integration. He has more than 30 years' experience and leadership skills in accounting, finance and risk management.

Mr Kong is a Fellow member of the Institute of Singapore Chartered Accountants and CPA Australia and a Senior Accredited Director of the Singapore Institute of Directors.

BOARD OF DIRECTORS



Ms Chen Zhen (Amanda)
*Non-Executive and
Independent Director*

Date of first appointment as Director: 24 July 2025
Date of last re-election as Director: –

Ms Chen Zhen (Amanda) was appointed to the board on 24 July 2025 and is the Chairman of the Nominating Committee and a member of the Remuneration and Audit and Risk Committee of the Company.

Ms Chen is a Partner with RHTLaw Asia's Corporate & Capital Markets Practice and heads the International China Practice. Prior to 2017, she was also an appointed Registered Professional with RHT Capital Pte. Ltd., an approved continuing sponsor on Catalist, the sponsor-supervised board of the Singapore Exchange Securities Trading Limited.

With over 25 years working experience in both the People's Republic of China ("PRC") and Singapore, Ms Chen has gained extensive industry knowledge and experience across many different industries such as energy and environment, healthcare, education, and precision engineering etc. As a dual qualified lawyer in both the PRC and Singapore (permitted areas), her main areas of expertise are corporate and capital markets, cross border mergers and acquisitions, FinTech and financial services and private wealth.

Her recent notable transactions include acted for Duisburger Hafen AG on its joint venture with PSA Northeast Supply Chain Pte Ltd, acted for Dyna-Mac Offshore Engineering (Shanghai) Co., Ltd on its joint venture with China Merchants Heavy Industry Holdings Limited, acted for Yihua Lifestyle Technology Co., Ltd. on its privatisation and delisting of HTL International Holdings Limited, and acted for Milkyway International Chemical

Supply Chain Pte. Ltd. (a PRC mainboard listed company) on the voluntary conditional general offer to privatise LHN Logistics Limited (a Catalist company) as well as its other private acquisition.

In recent years, with strong demand for legal services on fintech and financial services from the PRC clients, Ms Chen has been assisting her PRC clients with various financial licenses application including capital markets services licenses ("CMS") on fund management, dealing in capital markets products, product financing and custodian services as well as major payment institution license. In 2024, Ms Chen also assisted a PRC client with sandbox application to operate a digital asset exchange as experiment focusing on real world assets ("RWA") tokenization and trading with advanced and innovative technology.

Other than institutional clients, Amanda has been serving high net worth individual ("HNWI") clients for their private wealth related matters.

Ms Chen speaks at various seminars and conferences on topics relating to the PRC regulatory updates, cross border transactions, internal controls and risk management among others. In fintech area, Ms Chen was invited to speak at various seminars on blockchain and digital assets in the PRC. In November 2023, she was invited to speak at the Asia-Pacific RWA Tokenization Platform Summit "TradeFi and DeFi Unite: From Asia Pacific to the World", co-hosted by ChainUp, SGTOX and Alibaba Cloud during Singapore FinTech Festival.

KEY MANAGEMENT



Madam Cheong Poh Hua
Group Chief Financial Officer

Date of appointment: 26 April 2024

Madam Cheong Poh Hua has extensive experience in accounting and finance, corporate management and business administration.

Madam Cheong is a Director of the Company's subsidiaries established in the People's Republic of China namely, Hefei Dansun Packaging Co., Ltd., Nantong Hengcheng Paper Industry Co., Ltd. and Tat Seng Packaging (Suzhou) Co., Ltd. which have been actively involved in the corrugated packaging industry in the People's Republic of China.

Madam Cheong holds a Bachelor of Commerce Degree in Accountancy from Nanyang University, Singapore. She is a member of the Institute of Singapore Chartered Accountants.



Mr Tan Chin Sing
*Deputy Managing Director,
China Region and Group Strategic Development*

Date of appointment: 1 June 2021

Mr Tan Chin Sing joined Tat Seng Packaging Group Ltd as Deputy Managing Director, China Region and Group Strategic Development on 1 June 2021. He was previously with Times Publishing Group as Head, Print Group and Strategic Development. He has extensive experience in the printing industry in Singapore, Malaysia and China before joining the Group.

Mr Tan is a Director of the Group's subsidiaries established in the People's Republic of China namely, Tat Seng Packaging (Suzhou) Co., Ltd. and Hefei Dansun Packaging Co., Ltd. He is also a Director and Legal Representative of Guangzhou Dansun Packaging Co., Ltd.

Mr Tan holds a Bachelor of Accountancy Degree from National University of Singapore and a Master of Business Administration from Adelaide University, Australia. He is a member of the Institute of Singapore Chartered Accountants.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr Goi Seng Hui	Executive Chairman
Mr Tan Lye Heng Paul	Non-Executive and Independent Director
Mr Kong WeiLi	Non-Executive and Independent Director
Ms Chen Zhen	Non-Executive and Independent Director

AUDIT AND RISK COMMITTEE

Mr Tan Lye Heng Paul (Chairman)
Mr Kong WeiLi
Ms Chen Zhen

NOMINATING COMMITTEE

Ms Chen Zhen (Chairman)
Mr Kong WeiLi
Mr Tan Lye Heng Paul

REMUNERATION COMMITTEE

Mr Kong WeiLi (Chairman)
Mr Tan Lye Heng Paul
Ms Chen Zhen

REGISTERED OFFICE

28 Senoko Drive, Singapore 758214
Tel : (65) 6326 8805
Email : ir@tspg.sg
Website : www.tspg.sg
Company Registration Number : 197702806M

SHARE REGISTRAR

B.A.C.S. Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896
Tel : (65) 6593 4848

COMPANY SECRETARIES

Ms Siau Kuei Lian
Mr Tan Zhi Wei

AUDITORS

KPMG LLP
Public Accountants and Chartered Accountants
12 Marina View #15-01
Asia Square Tower 2
Singapore 018961

AUDIT PARTNER

Ms Voo Poh Jee
(Engagement partner since financial year ended 31 December 2023)

PRINCIPAL BANKERS

Agricultural Bank of China Limited
Bank of China Limited
Bank of Jiangsu Co., Ltd.
Bank of Nanjing Co., Ltd.
China Citic Bank Corporation Limited
China Construction Bank Corporation
China Zheshang Bank Co., Ltd.
Huishang Bank Corporation Limited
Industrial and Commercial Bank of China Limited
Jiangsu Nantong Rural Commercial Bank Co., Ltd
Malayan Banking Berhad
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CORPORATE GOVERNANCE STATEMENT

Tat Seng Packaging Group Ltd (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) are committed to setting and maintaining high standards of corporate governance as well as promoting corporate transparency by adhering closely to the principles and guidelines set out in the Code of Corporate Governance 2018 (last amended on 11 January 2023) (the “**2018 Code**”) and accompanying the Practice Guidance.

This Statement describes the practices the Company has adopted and undertaken with respect to each of the principles and guidelines and the extent of its compliance with the 2018 Code. The Company has complied in all material aspects with the principles and guidelines set out in the 2018 Code and where there are deviations from the 2018 Code, appropriate explanations are provided and the Company will continue to assess its needs and implement appropriate measures accordingly.

BOARD MATTERS

The Board’s Conduct of Affairs

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

As at the date of this report, the Company is headed by an effective Board comprising individuals with diversified backgrounds and who collectively bring with them a wide range of experience, to lead and control the Group. The Board is responsible for the overall management and success of the Group. The primary role of the Board is to oversee the Group’s business performance and affairs, and to protect and enhance long-term shareholders’ and stakeholders’ values. To fulfil this, apart from its statutory responsibilities, the Board performs the following roles and functions:

- providing entrepreneurial leadership, setting strategic directions and objectives of the Group;
- approving major funding proposals, investment and divestment proposals of the Group;
- reviewing the performance of management by establishing management’s goals and monitoring the achievement of such goals;
- reviewing and endorsing the remuneration framework as may be recommended by the Remuneration Committee;
- supervising management in ensuring that the Company has the necessary resources to meet its goals and establish a framework of prudent and effective controls to assess and manage risks;
- overseeing the processes of risk management, financial reporting and compliance and evaluating the adequacy of internal controls;
- considering and overseeing sustainability issues, such as environmental, social and climate-related factors, as and when necessary, as part of its strategic formulation; and
- assuming the responsibilities for corporate governance.

Fiduciaries: All Directors discharge their duties and responsibilities objectively at all times as fiduciaries in the interests of the Company. The Board puts in place a code of conduct and ethics, and also sets appropriate tone for the Company in respect of ethics, values and desired organisational culture, and ensure proper accountability within the Group. The Board has clear policies and procedures for dealing with conflict of interest. Where the Director faces a conflict of interest, he or she should recuse himself or herself from discussions and decisions involving the issues of conflict.

Induction, Training and Development: The Directors are provided with extensive background information about the Group’s history, mission, values and business operations. The Nominating Committee ensures that all Directors are equipped with the appropriate skills and relevant industry knowledge to perform their roles on the Board and Board Committees effectively. The Directors are invited to visit the Group’s operations and facilities and meet with Management for further explanations, briefings or discussions on key aspects, to gain insight for a better understanding of the Group’s business and operations.

CORPORATE GOVERNANCE STATEMENT

The Directors and key management personnel of the Company are encouraged to attend relevant training programmes, courses, conferences and seminars on new laws, regulations and updates on commercial areas conducted by relevant professional organisation from time to time. Changes to regulations and accounting standards are monitored closely by the Management. In order to keep pace with such laws and regulatory changes, the Company will provide and fund the appropriate trainings and development programmes for the Directors and/or key management personnel of the Company, where relevant. Directors are updated periodically on industry trends and development of sustainability issues, work safety and health related matters, relevant laws, regulations, accounting standards and changing business risks during Board meetings/Board Committees meetings or at specifically-convened sessions to enable them to properly discharge their duties effectively.

The Company had arranged for all the Directors to undergo training on the sustainability reporting. All Directors of the Company have attended and completed the sustainability training courses as prescribed under Rule 720(7) of the Listing Rules of SGX-ST in order to meet the enhanced sustainability reporting rules.

The Company will conduct comprehensive and tailored induction orientation programmes for newly appointed Directors, covering their duties and obligations, including the business and organisational structure of the Group and its strategic directions. Newly appointed Directors will be briefed on the Group's operations and are encouraged to participate in site visits of the Group's operating units to familiarise themselves with its business practices.

Ms Chen Zhen ("**Ms Chen**") was appointed as Non-Executive and Independent Director during the financial year. She has been briefed to familiarise with various businesses and operations of the Group. With her experience as a Director of public listed company in Singapore, the Nominating Committee determined that it was not necessary for her to attend the training organised by the Singapore Institute of Directors on the roles and responsibilities of Directors, as prescribed by the Exchange.

The Management with the assistance from the Company Secretaries and their representatives assisted Directors in ensuring compliance with their obligations under the relevant rules and regulations, and in the Directors' professional development. During the financial year ended 31 December 2025 ("**FY2025**"), the Directors attended seminars that they find useful to better perform their duties physically and/or through electronic means. The Board has been briefed by the Company's external consultant on the revision to the Listing Rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and accounting standards.

Matters reserved for the Board: The Directors have identified a few areas for which the Board has direct responsibility for decision making (which are embodied in its internal guidelines) such as the following:

- approval of annual financial budgets of the Group;
- approval of annual and half yearly results announcements;
- approval of annual report and financial statements;
- declaration of interim dividends and proposal of final dividends;
- convening of shareholders' meetings;
- approval of corporate strategy;
- authorisation of major transactions;
- approval of changes in the composition to the Board and Board Committees;
- investments and divestments decisions including the Group's capital commitments; and
- commitments to term loans and lines of credit from banks and financial institutions by the Company.

CORPORATE GOVERNANCE STATEMENT

While matters relating in particular to the Company's objectives, strategies and policies require the Board's direction and approval, Management is responsible for the day-to-day operation and administration of the Company in accordance with the objectives, strategies and policies set by the Board.

Board Committees: To ensure that specific issues are subject to considerations and review before the Board makes its decision, the Board has established the Board Committees to assist the Board in carrying out more effectively its oversight function. The Board Committees consist of Nominating Committee ("**NC**"), Remuneration Committee ("**RC**") and Audit and Risk Committee ("**ARC**") (collectively the "**Board Committees**").

As at the date of this report, the composition of the Board Committees are as follows:

Directors	Nominating Committee	Remuneration Committee	Audit and Risk Committee
Mr Tan Lye Heng Paul	Member	Member	Chairman
Mr Kong WeiLi	Member	Chairman	Member
Ms Chen Zhen ¹	Chairman	Member	Member

Note:

1 Appointed as Chairman of Nominating Committee and a Member of Audit and Risk Committee and Remuneration Committee on 24 July 2025

The Board Committees function within clearly written terms of reference including operating procedures, compositions, authorities and duties. Such terms of reference will be reviewed by the Board and Board Committees on a regular basis to ensure their continued relevance and to enhance the effectiveness of the Board Committees. The minutes of all Board and Board Committees meetings which provide a fair and accurate record of the discussion and key deliberations and decisions taken during the meetings, are circulated and available to the Board and Board Committees. The Chairman of each of the Board Committee reports to the Board the outcome of the respective Board Committee meetings.

The compositions, authorities, roles and responsibilities of the Board Committees are set out in the subsequent sections of this Statement.

Meetings: The attendance of the Directors at scheduled meetings held in FY2025 is disclosed below:

Name of Directors	Board		Audit and Risk Committee		Nominating Committee		Remuneration Committee		Annual General Meeting	
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Dr Goi Seng Hui	2	2	2	2*	2	–	1	–	1	1
Mr Lim Swee Say ¹	2	1	2	1	2	1	1	1	1	1
Mr Loh See Moon ²	2	2	2	2*	2	1*	1	1*	1	1
Mr Tan Lye Heng Paul	2	2	2	2	2	2	1	1	1	1
Mr Kong WeiLi	2	2	2	2	2	2	1	1	1	1
Ms Chen Zhen ³	2	1	2	1	2	–	1	–	1	–

Notes:

* Attendance by invitation of the relevant committees

1 Retired as Non-Executive and Independent Director, Chairman of Nominating Committee, a Member of Remuneration Committee and Audit and Risk Committee on 25 April 2025

2 Retired as Managing Director and Chief Executive Officer on 2 March 2026

3 Appointed as Non-Executive and Independent Director, Chairman of Nominating Committee, a Member of Remuneration Committee and Audit and Risk Committee on 24 July 2025

CORPORATE GOVERNANCE STATEMENT

The schedules of the Board and Board Committees meetings are given to all Directors well in advance. The Board meets at least two times in a year. Besides the scheduled half yearly board meetings, the Board also meets on an ad-hoc basis as warranted by circumstances. Board meetings will be convened when they are deemed necessary, to review the Group's business operations, conduct strategic review of the business affairs and address other specific significant matters that arise.

The Constitution of the Company provides for the convening of the board meetings by way of telephonic, tele-conferencing or other similar means of electronic communication. The Board also approves material and/or significant transactions by way of written resolutions which are circulated to the Directors together with all relevant and supporting information.

The agendas for meetings during FY2025 were prepared in consultation with the Executive Chairman and/or Managing Director/Chief Executive Officer, the Group Chief Financial Officer and/or the Chairman of the respective Board Committees. The agendas and meeting materials are circulated in advance of the scheduled meetings to the members of the Board and/or Board Committees and on-going basis to enable the Directors to make informed decisions and discharge their duties and responsibilities.

The Directors were appointed based on their experience, stature and potential contribution to the proper guidance of the Group and its businesses. As such, we believe that each individual Director's contributions can be reflected in ways other than the reporting of attendances at Board meetings and/or Board Committees meetings.

Despite the Directors having multiple board representations, the NC has reviewed the directorships of the Directors and is satisfied that these Directors are able to and have adequately carried out their duties as Directors of the Company after taking into consideration the number of listed company board representations and other principal commitments of these Directors. The NC and the Board agreed that as a guide, the maximum number of the listed company board representations which any Independent Director may hold should not exceed five, and both the NC and the Board will review and determine the maximum number of listed company board representations as and when they deem appropriate.

Board Information: Management provides the Board and Board Committees with relevant, complete, adequate and timely information relating to matters to be brought prior to Board and Board Committee meetings. Management has put in place a procedure for meeting materials to be circulated to the Board and Board Committees or to be submitted at Board and Board Committee meetings.

To give Directors sufficient time to prepare for Board and Board Committee meetings, the agenda, meeting materials and presentation slides are usually circulated to them electronically in advance before the relevant meetings. Directors can access these materials via their personal computers or laptops prior to, during and after meetings. Hard copies of these materials are also distributed to the Directors. Management provides the Board with explanation and information as the Board may require, to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects. This is to give Directors sufficient time to review and consider the matters to be discussed so that it can be meaningful and productive. The Board is also apprised of any significant developments on business initiatives, industry developments and regulatory updates.

Presentation is made to the Directors at the board meeting on budgets, forecasts and variances. In respect of budgets, any material variance between the projections and actual results would be disclosed and explained during the meeting. Directors are also informed of any significant developments or events relating to the Group. The external consultants engaged on specific projects will be invited to brief the Board during the board meeting. The Board and Board Committees have unfettered access to information which the Company is in possession of or has access to, for the purpose of carrying out their responsibilities. However, sensitive matters may be tabled at the meeting itself or discussed without any materials being distributed.

The Management ensures that any information or materials requested by the Directors to make informed decisions will be provided in a timely manner.

Board's access: The Directors have separate and independent access to the advice and services of the Management, Company Secretaries, the key management personnel and external advisers (where necessary) at the Company's expense at all times. Furthermore, there is no restriction of access to the key management personnel when the Directors have to carry out their duties. As a matter of good corporate governance practice, the role of the Company Secretaries has been clearly defined.

CORPORATE GOVERNANCE STATEMENT

The Company Secretaries and their representatives attend to corporate secretarial administration matters and attend Board and Board Committees meetings. They assist the Board and Management in implementing and strengthening corporate governance policies and procedures. The Company Secretaries and their representatives ensure that board procedures are properly followed. The appointment and removal of the Company Secretaries is subject to the Board's approval. The Board appointed a new joint secretary during the financial year.

The Board in exercising its responsibilities could as a group or as individuals, when deemed fit, direct the Company to seek and obtain independent professional advice, in the furtherance of their duties and the expenses of which are borne by the Company.

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.

During the financial year, the NC has reviewed the board structure, size and composition of the Company. As of the date of this report, the Board of the Company consists of four members comprising the Executive Chairman and three Non-Executive and Independent Directors which the details of the board composition are set out as follows:

Name of Director	Designation	Date of First Appointment as Director	Date of last re-election as Director	Present Directorships in other listed companies	Past Directorships in listed companies held over the preceding three years
Goi Seng Hui	Executive Chairman	23 June 2021	28 April 2023	<ul style="list-style-type: none"> GSH Corporation Limited (Executive Chairman) PSC Corporation Ltd. (Executive Chairman) JB Foods Limited (Vice Chairman) Tung Lok Restaurants (2000) Ltd (Non-Executive and Non-Independent Director) 	<ul style="list-style-type: none"> Envictus International Holdings Limited (Vice Chairman)
Kong WeiLi	<ul style="list-style-type: none"> Non-Executive and Independent Director Chairman of Remuneration Committee Member of Audit and Risk Committee and Nominating Committee 	First appointed: 1 March 2019 and resigned on 18 February 2021 Re-appointed on: 23 June 2021	28 April 2023	<ul style="list-style-type: none"> Pavilion Holdings Ltd. (Independent Director) 	–
Tan Lye Heng Paul	<ul style="list-style-type: none"> Non-Executive and Independent Director Chairman of Audit and Risk Committee Member of Nominating Committee and Remuneration Committee 	6 September 2024	25 April 2025	<ul style="list-style-type: none"> AJJ Medtech Holding Limited (Independent Director) PSC Corporation Ltd. (Independent Director) 	<ul style="list-style-type: none"> Serial System Ltd (Lead Independent Director) Pollux Properties Ltd. (Independent Director) Second Chance Properties Ltd (Independent Director)
Chen Zhen	<ul style="list-style-type: none"> Non-Executive and Independent Director Chairman of Nominating Committee Member of Audit and Risk Committee and Remuneration Committee 	24 July 2025	N.A.	–	–

CORPORATE GOVERNANCE STATEMENT

Profiles of the Directors are found in the “Board of Directors” section of the Annual Report.

Board Independence: The Board assesses the independence of each Director in accordance with the guidance provided in the 2018 Code. The criteria for independence are based on the definition given in Provision 2.1 of the 2018 Code. As at the date of this report, the Board has three Non-Executive and Independent Directors whose independence has been reviewed by the NC.

The NC reviews annually, and as and when circumstances require, if a Director is independent. Each Independent Director is required to complete a Director’s Independence Checklist annually to confirm his/her independence based on the Listing Rules of the SGX-ST, Principles and Provisions as set out in the 2018 Code. None of the Non-Executive and Independent Directors and their immediate family member are a substantial shareholder of or partner in or an executive officer of or a director of, any organisation to which the Company or any of its subsidiaries made, or from which the Company or any of its subsidiaries received, significant payments or materials services aggregated over any financial year in excess of S\$50,000 (to an individual) or S\$200,000 (to a firm), which may include auditing, banking, consulting and legal services, in the current or immediate past financial year.

None of the Independent Director has served on the Board beyond nine years from the date of his/her appointment.

Similarly, the NC has reviewed the independence status of the Independent Directors during FY2025, and is satisfied that Mr Kong WeiLi (“**Mr Kong**”), Mr Tan Lye Heng Paul and Ms Chen are independent in accordance with Provision 2.1 of the 2018 Code and Rule 210(5)(d) of the Listing Rules of SGX-ST. Each NC member has abstained from participating in the discussion and voting on any resolution in relation to his/her independence.

Independent Directors: As at the date of this statement, the composition of the Board complies with Provision 2.2 of the 2018 Code as Independent Directors make up a majority of the Board.

Non-Executive Directors: The current board composition complies with Provision 2.3 of the 2018 Code where Non-Executive Directors make up a majority of the Board, in terms of character and judgement, objectivity on issues deliberated is assured.

Matters requiring the Board’s approval are discussed and deliberated with participation from each member of the Board and all major decisions are made collectively. There is no individual or small group of individuals that dominate the Board’s decision-making process. The Board recognised the need to embrace tenets of good corporate governance that includes refreshing the composition of the Board by appointing additional independent directors. The Company believes that such efforts are more likely to engender investor confidence and in achieving long term sustainable business performance.

Board size: The size and composition of the Board is reviewed on annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience to enable Management to benefit from a diverse perspective of issues that are brought before the Board. The Board also regularly examines its size and, with a view to determining the impact of its number upon effectiveness, decides on what is considered an appropriate size for itself taking into account the scope and nature of the Company’s operation.

Board diversity: The Board consists of Directors with diverse expertise and experience in business management, accounting, banking and financial, engineering, chemistry, economics and industry knowledge. They are capable of exercising objective and independent judgment on the corporate affairs of the Company. In concurrence with the NC, the Board is of the view that the current Board have the appropriate structure, size, diversity and composition to provide effective guidance and make decisions in the best interests of the Group. In line with the Board Diversity Policy, the Board has appointed Ms Chen as the suitable candidate in terms of gender, age, skills and knowledge diversity for the composition of current Board, to replace Madam Cheong Poh Hua (“**Madam Cheong**”), who has retired in 2024.

The Board has adopted a Board Diversity Policy on 8 November 2019 to assist the NC and the Board in identifying prospective candidates for Directorship that meet the criteria as determined by the NC and that support the diversity’s objectives. The Board Diversity Policy promotes the diversity among the Directors in order to improve performance. This diversity includes the range of skills, business and industry experience, gender, age, ethnicity, geographic background, length of service, and other distinctive qualities of the board members.

CORPORATE GOVERNANCE STATEMENT

The Company recognises that an effective Board requires Directors to possess not only integrity, commitment, relevant experience, qualifications and skills in carrying out their duties effectively but also include diverse background towards promoting good corporate governance.

In identifying qualified candidates for nomination to the board, the NC will consider prospective candidates based on merit, having regard to their character, competencies, expertise, skills, track record, background and other qualities as being important in fostering a diverse and inclusive culture which solicits multiple perspectives and views and is free of conscious or unconscious bias and discrimination. The NC ought to be mindful of related regulatory requirements (including the Listing Rules issued by the SGX-ST, Companies Act 1967 and the 2018 Code), and to give due consideration to characteristics, such as gender, age, ethnicity and geographic representation, which contribute to board diversity.

The NC may, in addition to conducting its own search and selection process, engage qualified independent advisors to assist in identifying prospective candidates for directorship that meet the criteria as determined by the NC and that support the Company's diversity objectives.

The Board has established and complied that at least 10% of the total number of board seats should be reserved for women and that the Board's composition shall include Directors from different age groups. The NC will continue its efforts to review these objectives when necessary and recommending changes to the Board Diversity Policy, as appropriate.

In implementing the Board Diversity Policy, the NC will take into account the Company's diversity objectives and the diverse nature of the business environment in which the Company operates whilst maintaining flexibility to address succession planning and to ensure that the Company continues to attract and retain qualified individuals to serve on the Board.

During the financial year, the NC has assessed the current level of diversity on the Board to be satisfactory, taking into consideration the composition of the Board which comprises Directors who have the appropriate balance and diversity of skills, gender, knowledge of the Company, expertise and experience to function effectively and make informed decisions overseeing the Group's business. The Company generally does not set concrete timeline for achieving board diversity targets. Instead, the Company takes the approach that maintaining a satisfactory level of diversity as an ongoing process. The targets to achieve greater diversity on the Board are assessed from time to time, based on the composition of the Board and operations of the Group at the relevant time. The profile of each Director including their academic and professional qualifications and other appointments is presented on pages 8 to 10 of this Annual Report.

Adherence to the Board Diversity Policy will form part of the annual performance of the Board and/or the Board Committees of the Company. The Board Diversity Policy shall be read in conjunction with the prevailing terms of reference of the NC.

Regular meetings for Independent Directors: Directors and Management discuss and debate issues at board meetings. Non-Executive and Independent Directors are kept apprised of the Group's business (which include financial highlights, operational performance indicators and key risks monitoring indices) at the meeting. During the board meeting for year-end results deliberation, a private session among the Non-Executive and Independent Directors without Executive Directors and Management's presence is scheduled to review the performance and effectiveness of Management and feedback is thereafter provided to Executive Directors and Management.

The Independent Directors meet periodically without the presence of Management to discuss and facilitate a more effective check on the Management. The feedback of the meeting is provided to the Executive Chairman, Managing Director/CEO and the Management. The Executive Chairman will thereafter act on the feedback, take necessary steps to advise Management on the way forward to improve and implement recommendations submitted by the Non-Executive and Independent Directors.

To-date, none of the Independent Directors of the Company has been appointed as Director of the Company's principal subsidiaries.

CORPORATE GOVERNANCE STATEMENT

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

There is a distinct separation of responsibilities between the Executive Chairman and the Chief Executive Officer (“CEO”), to ensure that there is an appropriate balance of power and authority, increased accountability and greater capacity of the Board for independent decision-making. Dr Goi Seng Hui (“**Dr Goi**”) is the Executive Chairman of the Company to oversee, plan, direct, control the activities; and to develop and execute the Group’s strategic and business objectives as part of the Company’s future growth and transformation of the Group. Following the retirement of Mr Loh See Moon (“**Mr Loh**”) as Managing Director/CEO on 2 March 2026, he was re-designated as Group Consultant for a transition period from 3 March 2026 to 31 December 2026. During this transition period, Mr Loh will continue to provide valuable insights and advice, working closely with the Executive Chairman and the Board of Directors to ensure a smooth transition and effective handover of the role upon the conclusion of his service tenure as the Group Consultant.

The Board established and set out the division of responsibilities between the Chairman and CEO. As the Executive Chairman, Dr Goi is responsible to lead the Board and to ensure effective working of the Board including:

- determining the Group’s strategies;
- with the assistance of the Company Secretaries and their representatives, scheduling of meetings to enable the Board to perform its duties while not interfering with the flow of the Group’s operations;
- with the assistance of the Company Secretaries and their representatives, approving the meeting agenda of the Board and ensures adequate time is available for discussion of all agenda items;
- with the assistance of the Company Secretaries and their representatives, ensuring that board meetings are held when necessary;
- facilitating effective contributions from Non-Executive and Independent Directors and encouraging constructive relationships within the Board and between the Board and the Management;
- exercising control over the quality, quantity and timely flow of information from the Management to the Board, promoting effective communication with the Company’s shareholders;
- ensuring fostering constructive and effective communication with shareholders; and
- promoting high standards of corporate governance with full support of the Directors and the Management.

The Independent Directors make up majority of the Board and exercise objective judgement on corporate matters impartially, thus ensuring a balance of power and authority. All decisions are made in consultation with the Board and the Board is of the opinion that the process of decision-making by the Board has a strong independent element and provides for collective decisions without any individual or small group of individuals dominating the Board’s decision-making.

Lead Independent Director: Under the 2018 Code, the Board should have a Lead Independent Director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. Notwithstanding the Company does not have a Lead Independent Director, the Board is of the view that with the majority of Independent Directors, shareholders who have concerns could seek to approach them where contact through the normal channels of the Executive Chairman or the Group Chief Financial Officer has failed to resolve or such contact is inappropriate or inadequate.

In view of the above, the Board is cognizant of the variation from Provision 3.3 of the 2018 Code and would be taking steps to comply with the 2018 Code as soon as it is practicable.

CORPORATE GOVERNANCE STATEMENT

Notwithstanding that the Company does not have a Lead Independent Director, the Board is of the view that there is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision making. In addition, the Company has appointed Non-Executive and Independent Directors who form a majority of the Board and Board Committees. Major proposals and decisions made by the Board are subject to majority approval by the members of the Board and reviewed by the relevant Board Committees.

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.

Nominating Committee composition: As at the date of this report, the NC comprises of three members, all of whom are independent:

Ms Chen Zhen	(Chairman, Non-Executive and Independent Director)
Mr Kong WeiLi	(Member, Non-Executive and Independent Director)
Mr Tan Lye Heng Paul	(Member, Non-Executive and Independent Director)

The NC Chairman has no relationship (direct or indirect) 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 her independent judgement in the best interest of the Company.

The terms of reference of NC provides that the NC shall comprise at least three members of the Board, the majority of whom, including the Chairman of the NC shall be independent.

Nominating Committee role: The principal responsibilities of the NC are set out in the terms of reference and its key functions include:

- reviewing of succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;
- reviewing the board structure, size and composition having regard to the scope and nature of the operations and the core competencies of the Directors as a group;
- reviewing, assessing and recommending nominees or candidates for appointment or election to the Board and the various Board Committees;
- assessing the effectiveness and contributions of the Board as a whole, its Board Committees and the individual Directors;
- assessing the contribution of each individual Director to the effectiveness of the Board, in particular when a Director has multiple listed company board representations and having regard to the Director's contribution and performance;
- reviewing the independence of the Directors in accordance with the Code and any other salient factors on an annual basis;
- reviewing the performance of the Directors and recommending on the re-election and re-appointment (including Alternate Directors, if any) of the Board at the Annual General Meeting ("**AGM**");
- setting the objectives for achieving board diversity and reviewing the Company's progress towards achieving these objectives;
- deciding a Director is able to and has been adequately carrying out his/her duties as Director of the Company based on internal guidelines such as attendance, contractibility and responsiveness; and
- reviewing the training and development programmes for the Directors.

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The Chairman of the NC acts on the results of the performance evaluation and where appropriate, proposes new members to be appointed to the Board or seek the resignation of Directors, in consultation with the NC.

Director appointment and re-appointment: In appointing Directors, the Board considers the range of skills and experiences required in the light of:

- geographical spread and diversity of the Group's businesses
- the strategic direction and progress of the Group
- the current composition of the Board
- the need for independence

The Board has delegated to the NC the functions of developing and maintaining a transparent and formal process for the appointment and re-appointment of Directors, making recommendations for Directors who are due for retirement by rotation to seek re-election at a general meeting and determining the independent status of each Director.

When a vacancy exists, the NC in consultation with the Board, determines the selection criteria for the position based on the skills and knowledge deemed necessary for the Board to best carry out its responsibilities. Candidates may be suggested by Directors or Management or sourced from external sources. The NC will interview the candidates and assess them based on objective criteria approved by the Board such as integrity, independent mindedness, possession of the relevant skills required or skills needed to complement the existing board members, ability to commit the time and effort to carry out their responsibilities, good decision-making track record, relevant experience and financial literacy. The NC will make recommendation to the Board on the appointment. The Board appoints the most suitable candidate who must stand for re-election at the next AGM of shareholders. Particulars of interests of Directors who held office at the end of the financial year in shares of the Company and/or its related corporations (other than wholly owned subsidiaries) are set out in the Directors' Statement.

In accordance to Regulation 91 of the Constitution of the Company provides that, at each AGM, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. A retiring Director is eligible for re-election by the shareholders of the Company at the AGM, and prior to nominating a retiring Director for re-election, the NC will evaluate the Director's contribution and performance taking into consideration factors such as attendance, preparedness, participation, candour and any other factors as may be determined by the NC.

The NC considers and recommends to the Board the appropriate structure, size and needs of the Board, with regard to the appropriate balance and diversity of skills, personal qualities and experiences required for the effective performance of the Board. The NC also recommends all appointments and retirements of Directors and considers candidates to fill new positions created by expansion, as the Board may benefit therefrom, and vacancies that occur by resignation, retirement or for any other reasons to the Board. The NC may engage consultants to undertake research on, or assess, candidate(s) applying for new positions on the Board, or to engage such other independent experts, as it considers necessary to carry out its duties and responsibilities.

Candidates are selected based on their character, judgment, business experience and acumen. The NC also ensures that the Directors have the relevant core competencies in areas such as finance, accounting and law, in order for them to discharge their duties effectively. Where a Director has multiple board representations, the NC will evaluate if a Director is able to and has been adequately carrying out his/her duties as Director of the Company. Despite the board members have multiple board representations, the NC is satisfied that the Directors have devoted sufficient time and attention to the Company.

The NC is responsible in determining the independence of Directors annually by taking into account the circumstances set forth in Provision 2.1 of the 2018 Code and any other salient factors. The NC has reviewed the independence status of the Independent Directors during FY2025, and is satisfied that the three Independent Directors are independent in accordance with Provision 2.1 of the 2018 Code and Rule 210(5)(d) of the Listing Rules of SGX-ST.

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The Board and the NC had developed a process of evaluation of performance of the Board and Board Committees and individual Directors through establishment of quantifiable performance criteria. The evaluation performance checklist is drawn up based on the guidelines provided in the 2018 Code.

Taking into account, among others, these Directors' participation during and outside the formal Board and Board Committees meetings as well as other contributions, the Board has accepted the NC's nomination of the retiring Directors, for re-election at the forthcoming AGM of the Company. In FY2025, the retiring Directors are Dr Goi and Mr Kong who will retire pursuant to Regulation 91 of the Constitution of the Company and Ms Chen who will retire pursuant to Regulation 97 of the Constitution of the Company. Dr Goi, Mr Kong and Ms Chen are eligible for the re-election and have expressed their intentions to seek for re-election at the forthcoming AGM. Dr Goi, Mr Kong and Ms Chen have abstained from voting on the resolutions and making recommendations and/or participating in any deliberations in respect of their re-nomination as Directors. The details of the Directors seeking for re-election are set out in Table A on pages 38 to 42 of this Annual Report.

Multiple directorships: The NC is responsible for reviewing the ability of the 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 NC requires each Director to declare any additional directorships or significant principal commitments during the year to enable the ongoing monitoring of the time commitments, attendances and contributions of the Directors to the Company. The NC is 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.

The NC and Board agreed that as a guide, the maximum number of the listed company board representations which any Independent Director may hold should not exceed five, and both the NC and the Board will review and determine the maximum number of listed company board representations as and when they deem appropriate.

In respect of disclosure of each Director on the listed company directorships and other principal commitments are set out on page 18 of this Annual Report.

Alternate Directors: Currently, the Company does not appoint any Alternate Director.

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.

Based on the recommendations of the NC, the Board has implemented a formal annual performance evaluation process, carried out by the NC, to assess the effectiveness of the Board, Board Committees and each Director's contributions. This annual assessment process consists principally of evaluation by and feedback from each Director.

- (a) Assessment of the effectiveness of the Board as a whole – The NC uses an objective performance criteria to conduct board assessments via the circulation of assessment evaluation forms to the Directors annually for their evaluation of various board issues and processes such as the board structure, conduct of board meetings, review of the Company's corporate strategy and planning, ensuring and reviewing the Company's risk management and internal control processes, review of the Company's performance, review of the Board's compensation evaluations and communication with the Company's shareholders. The NC has reviewed and is satisfied with the performance and effectiveness of the Board as a whole for the financial year ended 31 December 2025.
- (b) Assessment of the effectiveness of the Board Committees – The NC has implemented and carried out a process through the circulation of assessment evaluation forms to assess the effectiveness of the respective Board Committees annually. The NC has recommended that the members of the respective Board Committees complete the evaluation form adopted by the NC. The results of the Board and Board Committees assessments are reviewed and discussed by the NC and, any recommendation and suggestion arising from the evaluation exercise are circulated to the Board for consideration of the appropriate measures to be taken. The NC has reviewed and is satisfied with the performance and effectiveness of the respective Board Committees as a whole for the financial year ended 31 December 2025.

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- (c) Assessment of the contribution of individual Directors to the effectiveness of the Board – The individual Director's assessments implemented by the NC are based on the Director's self-assessment which is evaluated annually and formally on a continual basis by the NC. The criteria taken into consideration by the NC and the Chairman include contribution and performance based on factors such as attendance, preparedness and participation. The evaluations and any appropriate action to be taken are discussed by the NC. The NC has reviewed and is satisfied with the contribution by individual Directors to the effectiveness of the Board for the financial year ended 31 December 2025.

The NC is of the view that such assessments by the Directors are useful and constructive, and this collective process has provided an opportunity to obtain insightful feedback from each Director on suggestions to enhance the effectiveness of the Board and has helped Directors to be more focused on their duties, responsibilities and contributions to the effectiveness of the Board. The assessments also help the NC to determine whether the Directors with multiple board representations are able to and have adequately discharged their duties as Directors of the Company.

In general, the selected performance criteria will not change from year to year unless they are deemed necessary, and the Board is able to justify the changes. In consultation with the NC, the Executive Chairman will act on the results of the board performance and propose, where appropriate, new members to be appointed to the Board or propose changes to the Board.

No external facilitators were used in the assessment of the Board as a whole, its Board Committees and the individual Directors. However, if need arises, the NC has full authority to engage external facilitator to assist the NC to carry out the evaluation process at the Company's expense.

Following the review of FY2025, the Board is of the view that the Board and its Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

The Group's remuneration policy is to provide compensation packages at market rates which reward successful performance and attract, retain and motivate Directors and key management personnel.

Remuneration Committee composition: As at the date of this report, the RC comprises of three members, all of whom are independent:

Mr Kong WeiLi	(Chairman, Non-Executive and Independent Director)
Mr Tan Lye Heng Paul	(Member, Non-Executive and Independent Director)
Ms Chen Zhen	(Member, Non-Executive and Independent Director)

Remuneration Committee role: The principal responsibilities of the RC are set out in the terms of reference and its key functions include:

- reviewing and recommending to the Board a general framework of remuneration for the Board, key management personnel and other persons having authority and responsibility for planning, directing and controlling activities of the Company and the Group, and the specific remuneration packages and terms of employment (where applicable) for each Director as well as key management personnel;
- carrying out its duties in the manner that it deems expedient. Subject to any regulations or restriction that may be imposed upon the RC by the Board from time to time;

CORPORATE GOVERNANCE STATEMENT

- considering all aspects of remuneration (including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind, termination terms and payments) are covered for the Directors and key management personnel, to ensure they are fair;
- ensuring the remuneration packages of employees related to Executive Directors and controlling shareholders of the Group are in line with the Group's staff remuneration guidelines and are commensurate with their respective job scopes and levels of responsibility; and
- reviewing and recommending to the Board, the terms of renewal of service agreements of Directors and/or key management personnel and ensuring the service agreements contain fair and reasonable termination clauses which are not overly generous in the event of termination with a view to being fair and avoiding the reward of poor performance.

The RC members are knowledgeable in the field of executive compensation and have access to independent expert advice from external consultants, where necessary.

Termination clauses: The RC reviews the Company's obligations arising in the event of termination of Executive Directors and key management personnel's contracts of service to ensure such contracts of service contain fair and reasonable termination clauses. The RC will have access to independent expert advice from external consultants, where necessary.

The RC is responsible for recommending to the Board a framework of remuneration for the Directors and key management personnel which is submitted to the Board for endorsement. The RC reviews recommendations on remuneration policies and packages for Directors and key management personnel in the interests of improved corporate performance. The RC's reviews of remuneration packages take into consideration pay and employment conditions within the industry and in comparable companies, the Company's relative performance, the performance of the individual Directors and key management personnel, the long-term interests of the Group and ensures that the interests of the Directors align with that of the shareholders. The review covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, profit-sharing (where applicable) and benefits-in-kind.

The RC's recommendations are submitted to the Board for endorsement. Each member of the Board shall abstain from voting on any resolution concerning or making any recommendation and/or participating in any deliberations of the RC in respect of his/her own remuneration.

Remuneration experts: The RC, in considering the remuneration of all Directors, has not sought external advice or appointed remuneration consultants during the financial year and will continue to monitor the need of engaging external remuneration consultant as and where applicable.

Level and Mix of Remuneration

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

Remuneration framework: The remuneration packages of the Executive Directors (include Executive Chairman and Managing Director/CEO) are determined based on the framework recommended by the RC. In doing so, the RC reviews the length of appointment period, the notice period for termination and the terms of the compensation package in the event of the termination of any Executive Director's service agreements to ensure that the terms of such clauses are not onerous to the Company. The Executive Directors' framework of remuneration includes a fixed element and/or a variable element which is linked to the Group's performance. In setting remuneration packages, the Company takes into consideration the remuneration and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance, the performance of the individuals and value creation as enumerated under the 2018 Code.

CORPORATE GOVERNANCE STATEMENT

Long-term incentives: The Company has no employee share option schemes or other long-term incentive schemes in place and will consider adopting the same as and when the Board deems necessary.

Non-Executive Director remuneration: All Non-Executive and Independent Directors have no service agreements with the Company. They are paid with Directors' fees, additional fees paid for serving as the Chairman or members of Board Committees as well as attendance at each Board and Board Committees meeting. These fees are recommended by the RC and submitted to the Board for endorsement. Directors' fees are recommended by the Board for approval at the Company's AGM. The remuneration of Non-Executive and Independent Directors should be appropriate to the level of contribution, taking into account factors such as effort, time spent and responsibilities of the Directors. The Non-Executive and Independent Directors should not be over-compensated to the extent that their independence may be compromised and no Director is involved in deciding his/her own remuneration.

Executive Director and Key Management Personnel remuneration: Each of the Executive Director and Key Management Personnel has a separate formal service agreement or letter of offer with the Company and they do not receive Directors' fees. For FY2025, the remuneration packages of Executive Directors and Key Management Personnel comprise primarily a fixed component and a variable component. The service agreements of the Executive Chairman and Mr Tan Chin Sing, the Deputy Managing Director, China Region and Group Strategic Development are for a period of three years and the Group Chief Financial Officer, Madam Cheong Poh Hua is for a period of one year.

The RC seeks to ensure that the level and mix of remuneration for the Executive Directors and key management personnel are competitive, aligned with shareholders' interests and promote the Group's long-term success.

The Company adopts the same remuneration policy for the Executive Directors comprising both a fixed and/or variable component. The fixed component is in the form of base salary, fixed bonus and/or allowances and is applicable to the Executive Directors. The variable component is in the form of cash-based incentive (profit-sharing) that is linked to the Group's performance and is applicable to the Managing Director/CEO.

Corporate and individual performance objectives are set at the beginning of each financial year. The objectives are aligned to the Group's overall strategic, financial and operational goals, and are cascaded down to a selected group of key management personnel such as profit-sharing, creating alignment between the performance of the Group or the subsidiaries and the individual.

Contractual provisions to reclaim incentives: The RC is of the view that the variable component of the remuneration packages of the Executive Directors and key management personnel are appropriate for FY2025. The Company had instituted contractual provisions in the service agreements of the Executive Directors and Group Chief Financial Officer to reclaim such incentive components of remuneration paid in prior years to the Executive Directors where incidents occur in exceptional circumstances such as misstatement of financial statements, or of misconduct resulting in financial loss to the Company.

Disclosure on Remuneration

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

Remuneration disclosure: The remuneration framework is based on policies which are aligned with Company's interests to support the Group's business with the aim of retaining key capabilities, provide sound and structured funding of remuneration in ensuring affordability and sustainable value creation. Competitive remuneration packages are offered to attract and retain experienced individuals. The remuneration policies, the procedures for setting remuneration and the relationships between remuneration, performance and value creation are described in Principle 7 above.

CORPORATE GOVERNANCE STATEMENT

(i) Remuneration of Directors

Summary compensation table of the Directors receiving remuneration from the Company for the financial year ended 31 December 2025 is set out below:

Name of Directors	Base Salary S\$'000	Bonus S\$'000	Profit Sharing S\$'000	Directors' Fees¹ S\$'000	Allowance² S\$'000	Total S\$'000
Dr Goi Seng Hui	360	30	–	–	7	397
Mr Loh See Moon ³	540	45	1,225	–	327	2,137
Mr Lim Swee Say ⁴	–	–	–	12	–	12
Mr Kong WeiLi	–	–	–	35	–	35
Mr Tan Lye Heng Paul	–	–	–	37	–	37
Ms Chen Zhen ⁵	–	–	–	13	–	13

Notes:

- (1) Directors' fee was approved on 25 April 2025 at the AGM of the Company (to be paid half-yearly in arrears)
- (2) Employer's CPF contribution and other compensation are included
- (3) Retired as Managing Director and Chief Executive Officer on 2 March 2026
- (4) Retired as Non-Executive and Independent Director, Chairman of Nominating Committee, a Member of Remuneration Committee and Audit and Risk Committee on 25 April 2025
- (5) Appointed as Non-Executive and Independent Director, Chairman of Nominating Committee, a Member of Remuneration Committee and Audit and Risk Committee on 24 July 2025

The Company is transparent on its remuneration policies, which has been disclosed not only as part of compliance with Principle 8 but also in respect of Principle 7 of the Code. In particular, the Company has elaborated on the remuneration policy governing the remuneration of the Executive Directors and the factors taken into account for the remuneration of the Independent Directors. In addition, the remuneration of key management personnel (who are not Directors or the CEO) has been presented in bands no wider than S\$250,000 together with disclosure of breakdown of the level and mix of remuneration, which allowing shareholders to understand the Company's remuneration policies in relation to its key management personnel (who are not Directors or the CEO).

The RC has reviewed and approved the remuneration packages of the Executive Directors and key management personnel, having regard to their contributions as well as the financial performance and commercial needs of the Group and has ensured that the Executive Directors and key management personnel are adequate but not excessively remunerated. The RC will consider and deliberate on the performance conditions to which Executive Director's and key management personnel's entitlement to short term and long-term incentive schemes are subject and make the necessary disclosures, if any.

Shareholders' approval will be sought at the forthcoming AGM of the Company on 24 April 2026 for the payment of Directors' fees proposed (to be paid half-yearly in arrears) for the financial year ending 31 December 2026 amounting up to an aggregate of S\$104,000.

CORPORATE GOVERNANCE STATEMENT

Remuneration of Key Management Personnel & Employees Related to Directors

(ii) Remuneration of Key Management Personnel

The breakdown of the total remuneration of key management personnel of the Group (who are not Directors or the CEO) for the financial year ended 31 December 2025 is set out below:

Name of key management personnel	Base Salary	Bonus	Profit-Sharing	Allowance ¹	Total
Range S\$250,001 to S\$500,000					
Madam Cheong Poh Hua	37.07%	3.09%	38.24%	21.60%	100.00%
Range S\$500,001 to S\$750,000					
Mr Tan Chin Sing	58.98%	19.66%	–	21.36%	100.00%

Note:

(1) Employer's CPF contribution and other compensation are included

Save for the Directors of the Company, there are no employees of the Group who are substantial shareholders and/or immediate family members of any Director or the CEO of the Company and whose remuneration exceeds S\$100,000 for the financial year ended 31 December 2025.

No termination, retirement and post-employment or other long-term incentives have been granted to the Directors and key management personnel during the financial year ended 31 December 2025.

The RC and the Board have considered and are of the view that the Company's remuneration packages are appropriate and fair.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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

Risk governance: The Board recognises that it is responsible for the overall risk management and internal control framework but acknowledges that no cost-effective risk management and internal control system will preclude all errors and irregularities, as the system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Risk assessment and evaluation have become an essential part of business planning and monitoring process. The Management having identified the risks to the achievement of the Group's strategic objectives, each business unit is required to document the mitigation actions in respect of each significant risk. Risk awareness and ownership of risk treatments are also continuously fostered across the organisation.

The Group has put in place an Audit and Risk Committee ("**ARC**") to assist the Board in its oversight of risk governance, risk management framework and policies of the Group. The ARC is regulated by its terms of reference. The ARC helps to ensure that the Management maintains a sound system of risk management and internal controls to safeguard the interests of shareholders and the assets of the Group.

Audit and Risk Committee role: The ARC oversees the risk management framework and policies of the Group and report to the Board. Together with the Management, the ARC has established policies. These policies are an essential part of the business planning and monitoring process of the Group.

CORPORATE GOVERNANCE STATEMENT

The meetings of the ARC are attended not only by the members but also Management and it serves as a forum to review and discuss material risks and exposures of the Group's business and the strategy to mitigate risks in general.

The risk management process that is in place covers, *inter alia*, financial, operational, compliance and information technology risks faced by the Group. The key risks identified are deliberated by Management and reported to the ARC on an annual basis or such other period as may be determined by the ARC.

Annual review: The Group has put in place a system of internal controls, which includes the Code of Conduct, documented policies and procedures, approval procedures and authorities, as well as checks-and-balances built into the business processes. During the financial year, the Company has engaged Messrs Ernst & Young Advisory Pte. Ltd. as internal auditor. The objective of the internal audit function is to determine whether the internal controls established by the Group are adequate and functioning in the required manner in ensuring that the Group has adequate safeguards as well as an effective robust risk management system (including policies, procedures and processes) embedded within the Group's infrastructure that could support the Group's operations, IT system and financial reporting structure.

Furthermore, the Company has procured undertakings in the format set out in Appendix 7.7 from all its Directors pursuant to Rule 720(1) of the Listing Manual of the SGX-ST.

The ARC and Board recognise the need for a robust and effective system of internal control. To ensure that the risk management processes and internal controls are adequate and effective, the ARC has access to independent professional consultants. With the assistance of the internal and external auditors, ARC has carried out assessments of the adequacy and effectiveness of key internal controls during the year. Any material non-compliance or weaknesses in internal controls or recommendations from the internal and external auditors to further improve the internal controls are regularly reported to ARC. The ARC will also follow up on the actions taken by the Management on the recommendations made by the internal and external auditors.

CEO and CFO assurance: For FY2025, the Board has received assurances from Mr Loh (Managing Director/CEO) and Madam Cheong (Group Chief Financial Officer), that (a) 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) the Group's risk management and internal control systems are adequate and effective in addressing the financial, operational, compliance and information technology risks.

Board's conclusion: During the course of audit by the internal and external auditors, their recommendations, the various management controls and the reports from the internal and external auditors have been taken into consideration by the Company. The Board with the concurrence of the ARC, is of the opinion that the Group's system of internal controls and risk management procedures in addressing financial, operational, compliance and information technology controls and risk management systems maintained by the Group during the year are adequate and effective as at 31 December 2025 to address the risks that the Group considers relevant and material to its operations. In general, there is no material weakness finding for FY2025. The Board will continue to enhance and improve the existing internal control framework to identify and mitigate these risks from time to time.

The Board recognises that the risk management and internal control systems established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. The Board also noted that all internal control systems contain inherent limitations and no system of risk management and internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

CORPORATE GOVERNANCE STATEMENT

Audit and Risk Committee

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

Audit and Risk Committee composition: As at the date of this report, the ARC comprises of three members, all of whom are independent:

Mr Tan Lye Heng Paul	(Chairman, Non-Executive and Independent Director)
Mr Kong WeiLi	(Member, Non-Executive and Independent Director)
Ms Chen Zhen	(Member, Non-Executive and Independent Director)

The Board ensures that the members of the ARC are appropriately qualified to discharge their responsibilities. The Chairman and members of the ARC possess the requisite accounting and financial management expertise and experience. In line with Provision 10.3 of the 2018 Code, none of the ARC members is former partner or director of the Company's existing auditing firm or auditing corporation (a) within the period of two years commencing on the date of their ceasing to be a partner of the audit firm or director of the auditing corporation, and (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

Audit and Risk Committee role: The ARC's main objective is to assist the Board in fulfilling its fiduciary responsibilities relating to internal controls, overseeing the internal and external audit process, reviewing the financial information to be disclosed to the public and ensuring that arrangements are in place for the independent investigation and follow up of reports by staff of improprieties in financial reporting and other matters. To achieve this, the ARC ensures that its members have the appropriate qualifications to provide independent, objective and effective oversight.

The principal responsibilities of the ARC are set out in the terms of reference and its key functions include:

- reviewing the audit plans of the internal and external auditors;
- reviewing the internal and external auditors' reports;
- reviewing the co-operation given by the Company's officers to the internal and external auditors;
- reviewing the adequacy, effectiveness, independence, scope and results of the internal and external audit function;
- evaluating the effectiveness of the Group's system of internal controls, including financial, operational and compliance controls, information technology controls, and risk management systems by reviewing the written reports from internal and external auditors, and Management responses and actions to correct any deficiencies;
- reviewing the financial statements of the Company and the Group before their submission to the Board;
- reviewing non-audit services provided by the external auditors to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors;
- nominating external auditors for appointment or re-appointment and approve the remuneration and terms of engagement of the external auditors;
- reviewing the Group's compliance with such functions and duties as may be required under the relevant statutes or the Listing Manual of SGX-ST, and by such other amendments made thereto from time to time;
- reviewing interested person transactions (as defined in Chapter 9 of the Listing Manual of SGX-ST) to ensure that they are on normal commercial terms and arms' length basis and not prejudicial to the interests of the Company or its shareholders in any way; and
- reviewing whistleblowing policy and arrangements.

CORPORATE GOVERNANCE STATEMENT

Apart from the duties listed above, the ARC may commission and review the findings of internal investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore or other applicable law, rule or regulation which has or is likely to have material impact on the Company's or Group's operating results and/or financial position.

The ARC will:

- satisfy itself that adequate measures are in place to identify and mitigate any material business risks associated with the Group;
- ensure that a review of the effectiveness of the Group's material internal controls, including financial, operating and compliance controls, information technology controls and risk management is conducted at least annually. Such reviews can be carried out by internal auditors/external auditors;
- ensure that the internal control recommendations made by internal and external auditors have been implemented by the Management; and
- ensure the Board is in a position to comment on the adequacy of the risk management and internal controls of the Group.

Internal Audit function: The ARC selects and approves the appointment of internal auditors. The Group has outsourced its internal audit function to Messrs Ernst & Young Advisory Pte. Ltd. ("**Internal Auditors**") since FY2010. The Internal Auditors serves to provide the Board and Management with an independent appraisal in terms of the reliability, adequacy and effectiveness of the internal controls established by Management. The aim is to promote internal control in the Group and to monitor the performance and the effective application of internal audit procedures. Apart from this, Internal Auditors supports the ARC and the Board in assessing key control procedures through a structured review programme. The Internal Auditors has unfettered access to the Board, the ARC and Management, where necessary, and has the right to seek information and explanations.

Review of Internal Audit function: The ARC is satisfied that, though the internal audit function has been outsourced, it is adequately and effectively managed by persons with the relevant qualifications and experiences. The Internal Auditors has provided a confirmation of their independence to the ARC.

The Internal Auditors reports functionally to the Chairman of the ARC. On an annual basis, ARC assesses the effectiveness of the internal audit function by examining:

- the scope of the Internal Auditors' work;
- the quality of the reports;
- the relationship with the external auditors; and
- the independence of the areas reviewed.

During the year, the summary of key internal audit findings, recommendations and Management's related responses were discussed at the ARC meetings. The ARC ensures that procedures are in place to follow up on the recommendations by Internal Auditors in a timely manner and to monitor any outstanding issues.

Internal Audit resources and experiences: The ARC is satisfied that the internal audit function is adequately resourced and has appropriate standing within the Company and the Group. Internal Auditors has unfettered access to all the Company's documents, records, properties and personnel, including the ARC, and has appropriate standing within the Company.

The Internal Auditors plans its internal audit schedules in consultation with, but independent of, the Management. The audit plan is submitted to the ARC for approval prior to the commencement of the internal audit field work. Internal Auditors has direct and primary reporting line to the ARC and assist the ARC in overseeing and monitoring measures that have been implemented to detect and correct internal control weaknesses that have been identified.

CORPORATE GOVERNANCE STATEMENT

Internal Audit standards: The ARC has reviewed and approved the annual internal audit plan for FY2025 and is satisfied that the internal audit has been adequately and effectively carried out in line with the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The ARC reviews the activities of the internal audit on a regular basis, including overseeing and monitoring the implementation of the improvement required on internal control weaknesses that have been identified.

Summary of Audit and Risk Committee activities: The ARC met two times in the financial year ended 31 December 2025 and the Executive Chairman and the Managing Director/CEO were invited to attend the meetings. The ARC also meets from time to time with the Group's internal and external auditors and the Management to review accounting, auditing and financial reporting matters to provide the necessary checks and balances to ensure that an effective control environment is maintained within the Group.

The ARC continuously studies proposed changes in accounting policies, examines the internal audit functions and discusses the accounting implications of major transactions. Furthermore, the ARC advises the Board regarding the adequacy of the Group's internal controls and the contents and presentation of its interim and annual reports. Based on the information provided to the ARC, nothing has come to the ARC's attention indicating that the system of internal controls and risk management is inadequate.

The ARC has explicit authority to investigate any matter within its terms of reference and has full access to and co-operation of Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

Changes to accounting standards and accounting issues which have a significant impact on the financial statements were reported to the ARC and highlighted by the external auditors in their meetings with the ARC.

With the introduction of the new and revised Audit Reporting Standards applicable to the audit of financial statements for periods ending on or after 15 December 2016, the external auditors are required to include the Key Audit Matters ("**KAM**") in the Company's Annual Report. KAM typically include significant risk areas of the financial statements most susceptible to misstatements, involving key judgements and estimates, as well as major transactions that require extensive auditing efforts.

In line with the recommendations by Accounting & Corporate Regulatory Authority ("**ACRA**"), Monetary Authority of Singapore and SGX-ST, the ARC helps to improve transparency and enhance the quality of corporate reporting by providing a commentary on key financial reporting matters as follows:

ARC's commentary on key financial reporting matters

The ARC has discussed the KAM for FY2025 with Management and the external auditors. The ARC concurs with the basis and conclusions included in the Independent Auditors' Report with respect to the KAM. For more information on the KAM, please refer to pages 46 and 47 of this Annual Report.

Auditors: The ARC meets at least annually with the Internal Auditors and the external auditors, without the presence of the Management to review the adequacy of audit arrangements, with particular emphasis on the scope and quality of their audits, and the independence and objectivity of the internal and external auditors.

The ARC also makes recommendations on the appointment, re-appointment of external auditors, and their remuneration. The ARC's recommendations are submitted to the Board for endorsement.

The ARC had reviewed all the non-audit services carried out by the external auditors to the Group and confirmed that such services would not, in its opinion prejudice the independence and objectivity of the external auditors. The fees charged to the Group by the external auditors for audit and non-audit services for the financial year ended 31 December 2025 were approximately S\$319,000 and S\$109,000 respectively.

CORPORATE GOVERNANCE STATEMENT

The ARC has undertaken a review of the service, scope, independence and objectivity of the external auditors. Messrs KPMG LLP, the external auditors of the Company, has confirmed that they are a Public Accounting Firm registered with ACRA and provided a confirmation of their independence to the ARC. Apart from this, the ARC also received feedback from Management on their evaluation of the performance and effectiveness of the work of the external auditors. During the year, the ARC reviewed the performance of the external auditors by referencing to the Audit Quality Indicators Disclosure Framework published by ACRA. Having assessed the external auditors based on its own interactions with the external auditors, Management's evaluation and on factors such as performance and quality of their audit partners and auditing team, their overall qualification and their independence status, the ARC is satisfied that Messrs KPMG LLP is able to meet the audit requirements and statutory obligation of the Company.

Accordingly, Messrs KPMG LLP is recommended for re-appointment as the Company's external auditors at the forthcoming AGM.

Furthermore, ARC noted that in appointing the external auditors of the Company, its subsidiaries and significant associated companies, it is satisfied that the appointment of auditors did not compromise the standard and effectiveness of the audit of the Group. Therefore, the Company has complied with Rules 712 and 715 of the Listing Manual of SGX-ST.

Whistleblowing Policy

The Group has adopted a constructive whistleblowing policy and guideline in order to detect and deter any fraud or deliberate error in the preparation, evaluation, review or audit of any financial statements, financial reports and records of the Company.

Demonstrating its pledge to good corporate governance, the Group provides an avenue for employees to raise their concerns to report any possible improprieties in matters of financial reporting or other matters that they may encounter to the ARC, or any other committees established by the ARC for such purpose without fear of reprisal. The establishment of the whistleblowing structure also augments the Group's ability to detect potential fraud, providing another level of comfort and assurance to investors. The ARC has designated an independent function to investigate whistleblowing reports made in good faith and ensures that the identity of the whistleblower is kept confidential, and the Group is committed to ensure protection of the whistleblower against detrimental or unfair treatment.

There were no reported incidents pertaining to whistleblowing for FY2025. The whistleblowing policy can be found at the Company's website at <https://www.tspg.sg>.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

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

Shareholder rights: In line with the continuous disclosure obligations of the Company pursuant to the Listing Manual of the SGX-ST, the Company is committed that all shareholders should be equally informed of all major developments of the Group which would be likely to materially affect the price or value of the Company's shares.

The Company does not practice selective disclosure as all material and price-sensitive information are released through SGXNet and the Company recognises that regular, effective, timely and fair communication with shareholders is essential to enable its shareholders to make informed decisions about the Company.

CORPORATE GOVERNANCE STATEMENT

The information is disseminated to shareholders of the Company on a timely basis through:

- annual reports that are prepared and accessible to all shareholders on SGXNet and the Company's website. The Board ensures that the annual report includes all relevant information about the Company and the Group, including future developments and other disclosures required by the Companies Act 1967 and Singapore Financial Reporting Standards;
- half-yearly and full year results announcements containing a summary of the financial information and affairs of the Group;
- notices of and explanatory memoranda for AGM and Extraordinary General Meeting;
- press releases on major developments of the Company and/or Group;
- disclosures to the SGX-ST; and
- the Company's website at <https://www.tspg.sg> at which the shareholders can access information on the Group.

The Company recognises the importance of actively engaging with shareholders to promote effective and fair communication. All registered shareholders are invited to participate at the general meetings. The Company disseminates information on general meetings through notices in its annual reports or circulars (if required) to all its shareholders.

Notice of the general meeting is announced via SGXNet within the mandatory period prior to the meetings (or as otherwise disseminated in accordance with such laws and regulations as may be applicable), together with explanatory notes or a circular on items of special business (if necessary), at least 14 clear calendar days before the meeting for ordinary resolutions and/or 21 clear calendar days before the meeting for special resolutions. Each item of special business included in the notice of the general meetings will be accompanied by explanation of the effects of a proposed resolution. Separate resolutions are proposed for each substantially separate issue at general meetings. These notices are also released via SGXNet, published in local newspapers, posted in the Company's website and sent to all shareholders via post ahead of the meetings to give ample time for shareholders to review the documents. The annual reports and circulars (if any) may also be viewed on the Company's website. As part of the Group's commitment to conserve the environment, the Company will provide the shareholders printed copies of the annual reports and circulars (if any) via post upon specific request by them for it.

Voting procedure: The Constitution of the Company allows (a) each shareholder who is not a relevant intermediary (as defined in the Companies Act 1967) the right to appoint up to two proxies and (b) each shareholder who is a relevant intermediary to appoint more than two proxies to attend and vote on their behalf in the general meetings. Shareholders will be briefed on the rules governing such meetings and voting procedures of the general meetings. Voting in absentia by email, mail or fax is not implemented due to authentication of the shareholders' identity and other security and integrity related concerns.

For the forthcoming AGM, the Company will be transitioning to a paper poll voting system for the voting on all proposed resolutions. Shareholders and appointed proxies will cast their votes using physical ballot papers distributed during the meeting. This manual process is designed to ensure a transparent and verifiable count for every resolution. Each vote cast will be counted based on the number of shares represented by each shareholder or proxy present at the meeting. Once the votes have been counted and verified by the scrutineers, the results of the poll for each resolution will be announced live during the meeting. In accordance with regulatory requirements, the final results of the poll voting for all resolutions will also be announced after the meeting via SGXNet.

CORPORATE GOVERNANCE STATEMENT

The forthcoming AGM of the Company to be held in respect of FY2025 will be convened and held physically. The notice of the AGM is announced via SGXNet within the mandatory period prior to the meetings (or as otherwise disseminated in accordance with such laws and regulations as may be applicable), together with explanatory notes, appendices or a circular on items of special business, at least 14 days before the meeting for ordinary resolutions and/or 21 days before the meeting for special resolutions. Board members, Senior Management and the Company Secretaries are present and available to address questions from shareholders at the AGM. Furthermore, the external auditors are also invited to attend the AGM and are available to assist the Board in addressing any relevant queries by the shareholders relating to the conduct of the audit and the preparation of content of the auditor's report. Response to substantial and relevant questions raised by shareholders before the AGM would be released via SGXNet and published at the Company's website prior to the commencement of the AGM. Shareholders' questions raised after the upload of response to SGXNet will be dealt with and answered during the AGM.

Resolutions: Every matter requiring shareholders' approval is proposed as a separate resolution at the general meeting to address each distinct issue and all the resolutions to vote by poll. The Company has implemented the system of voting by poll at its upcoming AGM. Results of each resolution put to vote at the AGM with the detailed voting results, including the total number and/or percentage of votes cast for or against each resolution tabled in the AGM, will be announced immediately at the end of each AGM and via SGXNet after market close.

Minutes of general meetings: The Company Secretaries and their representatives prepare minutes of general meetings that include substantial and relevant queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management. Minutes of the AGM will be released via SGXNet and are also available to shareholders on its corporate website as soon as practicable. These minutes are available to shareholders upon their request. The Company also ensures that all material information relating to the Group is disclosed in an accurate and timely manner through publication on SGXNet and is made available to the shareholders.

Dividend Policy

The Company has in place a dividend policy. The frequency, form and amount of any dividend to be declared are not fixed and are dependent on the Group's profit, cash flow, capital requirements for investment and growth, general business conditions and other factors as the Board deems appropriate.

Although declaring and recommending dividend are not fixed, the Board aims to recommend dividends consistent with the Company's objective, *inter alia* of maximising shareholders' values. The Board will carefully consider and evaluate the aforementioned before proposing any dividend. In compliance with Rule 704(24) of the Listing Rules of the SGX-ST, in the event that the Board decides not to declare a dividend in respect of the full financial year, the Company will disclose the reason(s) for the decision with the announcement of the financial statements for the full financial year.

Engagement with shareholders

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

Investor Relations Policy: The Company has in place an Investor Relations Policy outlines the practices adopted by the Company in the course of its investor relations activities. The Investor Relations Policy sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions.

By supplying shareholders with reliable and timely information, the Company is able to strengthen the relationship with its shareholders based on trust and accessibility. The Company communicates with its shareholders during general meetings and other dialogues to allow shareholders to raise their views on various matters affecting the Company.

CORPORATE GOVERNANCE STATEMENT

Although the Company does not have an investor relations team, the Company's Group Chief Financial Officer is responsible for the Company's communication with shareholders. The Board acknowledges that not only does the Company has to fulfill its obligation to furnish timely and material information to shareholders but also to ensure that full and appropriate disclosure of such information is made for complying with statutory requirements as well as rules prescribed under the Listing Manual of the SGX-ST. Any price sensitive information will be publicly released through SGXNet.

The Company does not practice selective disclosure. Price sensitive information is first publicly released through SGXNet, before the Company meets with any investors or analysts. The notice of AGM is also published in the Business Times as well as released through Company's website within the mandatory period, the AGM of which is to be held within four months after the close of the financial year.

All disclosures, including announcements and press releases are updated on the Company's website and investors can contact the Company through website at <https://www.tspg.sg>.

MANAGING STAKEHOLDER'S 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.

The Board is fully committed to actively engaging the Company's material stakeholders in addition to fulfilling its obligations to shareholders. It believes that the Company's relationships with material stakeholders will have an impact on its long-term sustainability. Such stakeholders will include customers, contractors, suppliers, employees, investors, government, institutions and communities. They may be affected by the Company's activities and in turn their actions can affect the Company's operations.

The Company's website (<https://www.tspg.sg>) is an important conduit for communicating with and engaging stakeholders. In addition, the Company will publish its Sustainability Report for FY2025 to share with stakeholders its strategy, main focus areas and specific efforts to meet sustainability development goals.

More information on the Company's material stakeholders, sustainability efforts (including its strategy and key areas of focus), and performance can be found in the Company's Sustainability Report released via SGXNet and uploaded at the Company's website.

ADDITIONAL INFORMATION

DEALING IN SECURITIES

In compliance with Rule 1207(19) of the Listing Manual of the SGX-ST, the Company has adopted its own internal Code of Conduct to provide guidance to all officers of the Company and its subsidiaries with regard to dealing in the Company's securities.

The Company and the Group, and its Directors, officers and employees are periodically reminded not to deal in the Company's shares for the period commencing one month before the announcement of the Company's half year and full year financial results. The Company will notify Directors, officers and employees of the commencement date for each close window period.

The Company has put in place an insider trading policy which sets out the principles of relevant laws relating to insider trading which are applicable at all times.

The Company and the Group, and its Directors, officers, employees and connected persons are expected to observe insider-trading laws at all times even when dealing in securities within the permitted trading period and they are not to deal in the Company's securities on short-term considerations.

CORPORATE GOVERNANCE STATEMENT

INTERESTED PERSON TRANSACTIONS

The Company is required to comply with the requisite rules under Chapter 9 of the Listing Manual of the SGX-ST for interested person transactions. To ensure compliance with Chapter 9, the ARC meets half yearly during the financial year of 2025 to review if the Company will be entering into an interested person transaction in order to ensure that the interested person transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the shareholders.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Tee Yih Jia Food Manufacturing Pte Ltd	Associate of Director of the Company	S\$1,347,285	Nil

When a potential conflict of interest arises, the Director concerned does not participate in discussions and refrains from exercising any influence over other members of the Board.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company or any of its subsidiaries involving the interests of any Director or controlling shareholder subsisting at the end of FY2025.

TABLE A – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION

The Directors named below are retiring and being eligible, offer themselves for re-election at the upcoming AGM:

Name of Director	Dr Goi Seng Hui ("Dr Goi")	Mr Kong WeiLi ("Mr Kong")	Ms Chen Zhen ("Ms Chen")
Date of appointment	23 June 2021	23 June 2021	24 July 2025
Date of last re-appointment (if applicable)	28 April 2023	28 April 2023	N.A.
Age	79	58	50
Country of principal residence	Singapore	Singapore	Singapore

CORPORATE GOVERNANCE STATEMENT

Name of Director	Dr Goi Seng Hui ("Dr Goi")	Mr Kong WeiLi ("Mr Kong")	Ms Chen Zhen ("Ms Chen")
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board considered the Nominating Committee's recommendation and assessment on Dr Goi's qualifications, extensive experiences and commitment in discharge of his duties as Executive Chairman, and is satisfied that he will continue to contribute positively to the Company	The Board considered the Nominating Committee's recommendation and assessment on Mr Kong's qualifications, extensive experiences and commitment in discharge of his duties as Non-Executive and Independent Director, and is satisfied that he will continue to contribute positively to the Company The Board considers Mr Kong to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST	The Board considered the Nominating Committee's recommendation and assessment on Ms Chen's qualifications, extensive experiences and commitment in discharge of her duties as Non-Executive and Independent Director, and is satisfied that she will continue to contribute positively to the Company The Board considers Ms Chen to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST
Whether appointment is executive, and if so, the area of responsibility	Executive – to provide leadership, stewardship and direction to the Board through making business recommendation and facilitating the overall strategic direction of the Company and deliberations of the Board	Non-Executive	Non-Executive
Job title	Executive Chairman	Non-Executive and Independent Director, Chairman of Remuneration Committee, a Member of Nominating Committee and Audit and Risk Committee	Non-Executive and Independent Director, Chairman of Nominating Committee, a Member of Remuneration Committee and Audit and Risk Committee
Professional qualifications	Honorary Doctorate from Singapore University of Technology & Design, 2021	Fellow member of the Institute of Singapore Chartered Accountants and CPA Australia	MCL (Master of Commercial Law, Australia) LL.B (China)
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	None	None	None

CORPORATE GOVERNANCE STATEMENT

Name of Director	Dr Goi Seng Hui ("Dr Goi")	Mr Kong WeiLi ("Mr Kong")	Ms Chen Zhen ("Ms Chen")
Conflict of interest (including any competing business)	None	None	None
Working experience and occupation(s) during the past 10 years	<p>Dr Goi is Executive Chairman of PSC Corporation Ltd., Tee Yih Jia Food Manufacturing Pte Ltd and GSH Corporation Limited</p> <p>Investments across a range of listed and private entities in numerous industries, such as food and beverage, consumer essentials, recycling, distribution and logistics</p>	<p>From March 2019 to February 2021, Mr Kong was a Non-Executive and Independent Director of the Company and PSC Corporation Ltd.</p> <p>Mr Kong is currently a Non-Executive and Independent Director of Pavillon Holdings Ltd.</p>	<p>Ms Chen is a Partner (Head of International China) of RHTLaw Asia LLP from 2011 to present.</p>
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	<p>Direct Interest – 39,159,501 shares</p> <p>Deemed Interest – 100,529,000 shares</p>	No, Mr Kong does not hold any shares in the Company	No, Ms Chen does not hold any shares in the Company
Other principal commitments including directorships	<p><u>Past (for the last 5 years)</u></p> <p>Junhe Investment Pte. Ltd.</p> <p>Envictus International Holdings Limited</p> <p>Hydrex International Pte. Ltd.</p> <p>Green Vantage Properties Sdn. Bhd.</p> <p>Rumah & Co. Pte Ltd</p> <p>Sedar Properties Pte Ltd</p> <p><u>Present</u></p> <p>GSH Corporation Limited</p> <p>JB Foods Limited</p>	<p><u>Past (for the last 5 years)</u></p> <p>NIL</p> <p><u>Present</u></p> <p>Pavillon Holdings Ltd.</p>	<p><u>Past (for the last 5 years)</u></p> <p>NIL</p> <p><u>Present</u></p> <p>Partner (Head of International China) of RHTLaw Asia LLP</p>

CORPORATE GOVERNANCE STATEMENT

Name of Director	Dr Goi Seng Hui ("Dr Goi")	Mr Kong WeiLi ("Mr Kong")	Ms Chen Zhen ("Ms Chen")
	PSC Corporation Ltd. Tung Lok Restaurants (2000) Ltd Advanced Prestige Sdn Bhd Altheim International Limited City View Ventures Sdn Bhd Eastworth Source Sdn Bhd Investasia Sdn Bhd Linyi Properties Sdn Bhd Mainfield Holdings Limited Mewabumi Sdn Bhd MXIM Holdings Pte Ltd Rainbow Properties Sdn Bhd Sutera Harbour Golf & Country Club Berhad Sutera Harbour Travel Sdn Bhd Sutera Harbour Resort Sdn Bhd Sutera Yacht Services Sdn Bhd The Little Shop Sdn Bhd The Sutera Harbour Group Sdn Bhd Xing Asia Impel Sdn Bhd Acelink Logistics Pte Ltd China World Agents Limited		

CORPORATE GOVERNANCE STATEMENT

Name of Director	Dr Goi Seng Hui ("Dr Goi")	Mr Kong WeiLi ("Mr Kong")	Ms Chen Zhen ("Ms Chen")
	Chinatown Food Corporation Pte Ltd Desaru Property Development Sdn Bhd Fujian Guanhui Food Enterprise Co Ltd Fujian Mingwei Food Enterprise Co Ltd Guan Hui Food Enterprise Company Limited Maker Food Manufacturing Pte Ltd New Straits Holdings Pte Ltd Oregold Pte Ltd Ritz Properties Sdn Bhd Ryushobo (S) Pte Ltd T&T Gourmet Cuisine Pte Ltd Tee Yih Jia Food Manufacturing Pte Ltd Tee Yih Jia Food Manufacturing Sdn Bhd Twin Investment Pte Ltd TYJ Group Pte Ltd TYJ International Pte Ltd Vive La Sdn Bhd		

The retiring Directors have responded negative to items (a) to (k) listed in Rule 720(6) of the Listing Rules of SGX-ST.

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2025.

In our opinion:

- (a) the financial statements set out on pages 50 to 109 are drawn up so as to give a true and fair view of the financial position of the Company and its subsidiaries (the "Group") as at 31 December 2025 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:

Goi Seng Hui
 Tan Lye Heng Paul
 Kong WeiLi
 Chen Zhen (Appointed on 24 July 2025)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the "Act"), the particulars of interests of directors who held office at the end of financial year (including those held by their spouses and infant children) in shares, debentures, warrants or share options in the Company and in related corporations are as follows:

Name of director	Direct Interest			Deemed Interest		
	At beginning of financial year	At end of financial year	At 21 January 2026	At beginning of financial year	At end of financial year	At 21 January 2026

Ordinary shares of the Company

Goi Seng Hui ¹	409,700	39,159,501	39,159,501	100,529,000	100,529,000	100,529,000
Loh See Moon ²	23,580,000	–	–	–	–	–
Tan Lye Heng Paul ³	–	–	–	–	–	–

1 Goi Seng Hui ("Dr Goi") is deemed to have interest in shares of the Company that is held by its ultimate holding company, PSC Corporation Ltd.. As at 31 December 2025, Dr Goi is holding 454,667,880 shares of PSC Corporation Ltd., representing 83.38% of total shareholding of PSC Corporation Ltd.. PSC Corporation Ltd. is holding 100,529,000 shares of the Company, representing 63.95% of total shareholding of the Company.

2 Loh See Moon retired as Director on 2 March 2026.

3 Tan Lye Heng Paul has acquired 10,000 shares in the Company on 25 April 2025 and subsequently disposed of the entire shareholding on 8 September 2025.

DIRECTORS' STATEMENT

Name of director	Direct Interest			Deemed Interest		
	At beginning of financial year	At end of financial year	At 21 January 2026	At beginning of financial year	At end of financial year	At 21 January 2026
Ordinary shares of the ultimate holding company (PSC Corporation Ltd.)						
Goi Seng Hui	173,529,804	454,667,880	455,015,380	–	–	–
Loh See Moon ¹	403,000	–	–	–	–	–
Tan Lye Heng Paul	20,000	–	–	–	–	–

¹ Loh See Moon retired as Director on 2 March 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:

- (i) no options granted by the Company or its subsidiaries to any person to take up unissued shares of the Company or its subsidiaries; and
- (ii) 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 granted by the Company or its subsidiaries.

Audit and Risk Committee

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

- Tan Lye Heng Paul, Non-Executive and Independent Director
- Kong WeiLi, Non-Executive and Independent Director
- Chen Zhen, Non-Executive and Independent Director (Appointed on 24 July 2025)
- Lim Swee Say, Non-Executive and Independent Director (Retired on 25 April 2025)

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

The Audit and Risk Committee has held two (2) meetings since the last directors' statement. In performing its functions, the Audit and Risk Committee met with the Company's internal and external auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

DIRECTORS' STATEMENT

The Audit and Risk Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- half yearly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

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

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

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

Goi Seng Hui
Director

Tan Lye Heng Paul
Director

31 March 2026

INDEPENDENT AUDITORS' REPORT

Members of the Company
Tat Seng Packaging Group Ltd

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Tat Seng Packaging Group 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 31 December 2025, the consolidated statements of profit or loss, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements 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 50 to 109.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2025 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") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code, 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 matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current period. This matter was 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 this matter.

Impairment assessment of property, plant and equipment, right-of-use assets and intangible assets (collectively, the Group's non-financial assets)

(Refer to Note 4, 5 and 6 to the financial statements)

Risk

As at 31 December 2025, the net carrying amount of the Group's non-financial assets amounted to \$87.5 million (2024: S\$88.4 million), representing 78% (2024: 75%) of the Group's total non-current assets. Management concluded that there were indications of impairment on one cash generating units ("CGUs") whilst three other CGUs are subject to mandatory annual impairment testing.

In testing whether the Group's non-financial assets' carrying amounts are impaired, these being predominantly leasehold lands and building, plant and machinery and goodwill, the carrying amounts of all assets in the abovementioned CGUs are compared to the amounts that are expected to be recoverable from each CGU.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Tat Seng Packaging Group Ltd

The recoverable amount of each of these CGUs is determined based on their value-in-use calculations, which involve significant judgement in respect of key assumptions. There is inherent uncertainty in forecasting and discounting future cash flows. The assessment of the judgements made over these key assumptions is a key focus area of our audit.

Our response

We discussed impairment indicators with management. We evaluated whether the CGUs with impairment indicators were appropriately identified by management based on our understanding of the current business environment which the Group operates in.

We evaluated the key assumptions used in the cash flow forecasts for the assessment of the recoverable amount of the CGUs against historical performance, management-approved budgets and plans, and relevant external market benchmarks. These key assumptions include revenue growth rate and gross profit margin. We compared the forecast growth rate used to historical results and external market benchmarks. We also made inquiries with management regarding their future plans for the CGUs.

We performed sensitivity analyses over key assumptions, being revenue growth rate and gross profit margin used in estimating value-in-use of the respective CGUs.

Our findings

We found the key assumptions used by management to be within a supportable range. The impairment review results by management is appropriate.

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 auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

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

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

Responsibilities of management and directors for the financial statements

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

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

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

INDEPENDENT AUDITORS' REPORT

Members of the Company
Tat Seng Packaging Group 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 performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and is 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.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Tat Seng Packaging Group Ltd

Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditors' report is Voo Poh Jee.

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

31 March 2026

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Assets					
Property, plant and equipment	4	79,573	80,009	12,009	13,023
Right-of-use assets	5	6,948	7,368	6,467	6,824
Intangible assets	6	1,011	1,025	–	–
Investment in subsidiaries	7	–	–	29,321	29,321
Deferred tax assets	8	2,173	2,785	737	1,052
Other financial assets	9	22,289	26,533	19,381	12,907
Trade and other receivables	10	201	216	–	–
Non-current assets		112,195	117,936	67,915	63,127
Other financial assets	9	10,916	5,933	–	–
Inventories	11	24,594	22,095	92	132
Bills receivable	12	25,961	34,539	–	–
Trade and other receivables	10	47,234	50,524	6,326	15,435
Cash on hand and in banks	13	110,173	97,469	75,590	48,889
Current assets		218,878	210,560	82,008	64,456
Total assets		331,073	328,496	149,923	127,583
Equity					
Share capital	14	31,440	31,440	31,440	31,440
Retained earnings		177,852	167,272	104,611	83,170
Other reserves	15	2,272	3,695	–	–
Equity attributable to owners of the Company		211,564	202,407	136,051	114,610
Non-controlling interests	34	11,024	11,066	–	–
Total equity		222,588	213,473	136,051	114,610
Liabilities					
Deferred income	16	709	943	174	190
Loans and borrowings	17	9,453	6,359	5,746	5,951
Deferred tax liabilities	8	2,862	3,488	–	–
Non-current liabilities		13,024	10,790	5,920	6,141
Deferred income	16	224	250	16	17
Loans and borrowings	17	57,850	61,195	375	364
Trade and other payables	18	36,548	41,134	7,561	6,451
Current tax payable		839	1,654	–	–
Current liabilities		95,461	104,233	7,952	6,832
Total liabilities		108,485	115,023	13,872	12,973
Total equity and liabilities		331,073	328,496	149,923	127,583

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Note	2025 \$'000	2024 \$'000
Revenue	19	231,406	253,938
Cost of sales		(183,011)	(197,460)
Gross profit		48,395	56,478
Other income	20	1,728	2,061
Distribution and selling expenses		(17,016)	(17,192)
General and administrative expenses		(14,281)	(16,178)
Reversal of allowance made for impairment losses of trade and other receivables (net)		61	203
Other expenses	21	(473)	(2,838)
Results from operating activities		18,414	22,534
Finance income	22	3,651	3,263
Finance cost	23	(1,122)	(1,517)
Net finance income		2,529	1,746
Profit before tax	24	20,943	24,280
Tax expense	25	(2,993)	(4,336)
Profit for the year		17,950	19,944
Profit attributable to			
Owners of the Company		16,887	18,825
Non-controlling interests		1,063	1,119
Profit for the year		17,950	19,944
Earnings per share attributable to owners of the Company (cents per share)	26	10.74	11.98

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025	2024
	\$'000	\$'000
Profit for the year	17,950	19,944
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences of foreign operations	(1,594)	(6)
Other comprehensive income for the year, net of tax	(1,594)	(6)
Total comprehensive income for the year	16,356	19,938
Total comprehensive income attributable to:		
Owners of the Company	15,445	18,812
Non-controlling interests	911	1,126
Total comprehensive income for the year	16,356	19,938

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Note	Attributable to owners of the Company				Non-controlling interests	Total equity
		Share capital	Retained earnings	Other reserves	Total		
		\$'000	\$'000	\$'000	\$'000		
At 1 January 2024		31,440	156,307	3,708	191,455	11,362	202,817
Total comprehensive income for the year							
Profit for the year		–	18,825	–	18,825	1,119	19,944
Other comprehensive income							
Foreign currency translation differences		–	–	(13)	(13)	7	(6)
Total other comprehensive income		–	–	(13)	(13)	7	(6)
Total comprehensive income for the year		–	18,825	(13)	18,812	1,126	19,938
Transaction with owners, recognised directly in equity							
Distributions to owners							
Dividends to owners of the Company	27	–	(7,860)	–	(7,860)	(1,422)	(9,282)
Total distributions to owners		–	(7,860)	–	(7,860)	(1,422)	(9,282)
Total transactions with owners		–	(7,860)	–	(7,860)	(1,422)	(9,282)
At 31 December 2024		31,440	167,272	3,695	202,407	11,066	213,473

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Note	Attributable to owners of the Company					Non-controlling interests	Total equity
		Share capital	Retained earnings	Other reserves	Total			
		\$'000	\$'000	\$'000	\$'000	\$'000		
At 1 January 2025		31,440	167,272	3,695	202,407	11,066	213,473	
Total comprehensive income for the year								
Profit for the year		–	16,887	–	16,887	1,063	17,950	
Other comprehensive income								
Foreign currency translation differences		–	–	(1,442)	(1,442)	(152)	(1,594)	
Total other comprehensive income		–	–	(1,442)	(1,442)	(152)	(1,594)	
Total comprehensive income for the year		–	16,887	(1,442)	15,445	911	16,356	
Transaction with owners, recognised directly in equity								
Distributions to owners								
Dividends to owners of the Company	27	–	(6,288)	–	(6,288)	(953)	(7,241)	
Total distributions to owners		–	(6,288)	–	(6,288)	(953)	(7,241)	
Total transactions with owners		–	(6,288)	–	(6,288)	(953)	(7,241)	
Transfer between reserves								
Appropriation of retained earnings to statutory reserve fund		–	(19)	19	–	–	–	
At 31 December 2025		31,440	177,852	2,272	211,564	11,024	222,588	

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Profit before tax		20,943	24,280
Adjustments for:			
Amortisation of deferred income	16	(245)	(270)
Depreciation of property, plant and equipment	4	9,630	9,797
Depreciation of right-of-use assets	5	736	655
Dividend income	22	(645)	(65)
Interest expense	23	1,035	1,209
Interest income	22	(2,420)	(3,198)
Gain on disposal of property, plant and equipment (net)	20	(68)	(70)
(Gain)/Loss on fair value of financial assets (net)	22, 23	(586)	191
Unrealised loss/(gain) on exchange differences (net)		104	(465)
Property, plant and equipment written off	21	8	116
Write-back for impairment losses of inventories (net)	11	(41)	(51)
Reversal of allowance made for impairment losses of trade and other receivables (net)	32	(61)	(203)
		28,390	31,926
Changes in:			
– inventories		(2,696)	(783)
– bills receivable		8,012	(493)
– trade and other receivables		2,672	(1,444)
– trade and other payables		(5,326)	3,996
Cash generated from operations		31,052	33,202
Tax paid		(3,851)	(3,508)
Net cash from operating activities		27,201	29,694
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		672	195
Proceeds from maturity and redemption of other financial assets		15,867	–
Acquisition of property, plant and equipment		(9,449)	(3,916)
Acquisition of right-of-use assets		–	(434)
Acquisition of other financial assets		(15,851)	(15,886)
Interest received		1,957	2,808
Dividend received		689	21
Net cash used in investing activities		(6,115)	(17,212)
Cash flows from financing activities			
Interest paid	17	(1,042)	(1,212)
Dividends paid to owners of the Company		(6,288)	(7,860)
Dividends paid to non-controlling interests		(953)	(1,422)
Proceeds from loans and borrowings	17	89,500	99,148
Repayment of loans and borrowings	17	(88,638)	(107,406)
Payment on lease liabilities	17	(571)	(515)
Changes in pledged deposits		(601)	2,006
Net cash used in financing activities		(8,593)	(17,261)
Net increase/(decrease) in cash and cash equivalents		12,493	(4,779)
Cash and cash equivalents at 1 January		89,801	94,571
Effect of exchange rate fluctuations on cash held		(287)	9
Cash and cash equivalents at 31 December	13	102,007	89,801

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 31 March 2026.

1 DOMICILE AND ACTIVITIES

Tat Seng Packaging Group Ltd (the “Company”) is a company incorporated in the Republic of Singapore. The address of the Company’s registered office is 28 Senoko Drive, Singapore 758214.

The financial statements of the Group as at and for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”).

The Group is primarily involved in the manufacturing and sales of corrugated paper products and other packaging products. The principal activities of the subsidiaries are set out in note 7 to the financial statements.

The immediate and ultimate holding company is PSC Corporation Ltd., incorporated in the Republic of Singapore.

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)”). The changes to material accounting policy are described in note 2.5.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about key assumptions and judgements that have a significant risk of resulting in material adjustment within the next financial year are included in notes 4, 5 and 6 – impairment test: key assumptions underlying recoverable amounts of property, plant and equipment, right-of-use assets and intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

2 BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (Continued)

Measurement of fair values

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

The Group has an established control framework with respect to the measurement of fair values. The Corporate Senior Finance Manager has overall responsibility for all significant fair value measurements, including Level 3 fair values, where applicable.

The Corporate Senior Finance Manager regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as property valuation reports, broker quotes or pricing services, is used to measure fair values, then the team assesses and documents the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy in the valuations should be classified.

Significant valuation issues are reported to the Group's Audit and Risk Committee.

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

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

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

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

2.5 Changes in material accounting policies

New accounting standards and amendments

The Group has applied the Amendments to SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates* for the first time for the annual period beginning on 1 January 2025. The application of these amendments to accounting standards does not have a material effect on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICIES

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

3.1 Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

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

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

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

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

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

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. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any NCI and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Subsidiaries in the separate financial statements

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

3.2 Foreign currency

Foreign currency transactions

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

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

- an investment in equity securities designated as at fair value through OCI (FVOCI); or
- qualifying cash flow hedges to the extent the hedge is effective.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Foreign currency (Continued)

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 OCI. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains 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 in equity.

3.3 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the asset to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Property, plant and equipment (Continued)

Subsequent costs

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

Depreciation

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

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

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

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

Leasehold land	50 years
Leasehold buildings	18 – 20 years
Plant and machinery	5 – 10 years
Furniture and fittings	3 – 13 $\frac{1}{3}$ years
Motor vehicles	5 – 8 years

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

3.4 Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see note 3.1. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

3.5 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is measured on a specific identification basis, 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.6 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

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

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

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investments or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Non-derivative financial assets comprise other financial assets, bills receivable, trade and other receivables (excluding prepayments and advances to suppliers, VAT/GST receivables and tax recoverable) and cash on hand and in banks.

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.

Debt investments at FVOCI

A debt investment is measured at FVOCI 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 achieved by both collecting contractual cash flows and selling financial assets; 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.6 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Non-derivative financial assets (Continued)

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

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.

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.6 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

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

Financial assets at amortised cost

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

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial assets at FVTPL

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

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings and trade and other payables (excluding derivatives).

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of 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.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.6 Financial instruments (Continued)

(iii) Derecognition (Continued)

Financial liabilities

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

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

(iv) Offsetting

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

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

For the purpose of the consolidated statement of cash flows, pledged deposits and time deposits with maturity in more than one year are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

(vi) Share capital

Ordinary shares

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

(vii) Intra-group financial guarantees in the separate financial statements

Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with SFRS(I) 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15.

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

Loss allowances for ECLs for financial guarantees issued are presented in the Company's statement of financial position as 'loans and borrowings'.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised costs; and
- intra-group financial guarantee contracts (FGC).

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

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

Simplified approach

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

General approach

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

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

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

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

The Group considers a financial asset to be in default when the 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 Company considers a FGC to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Company in full, without recourse by the Company 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

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.

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

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

Presentation of allowance for ECLs in the statement of financial position

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

For debt investments at FVOCI, loss allowances are charged to profit or loss and recognised in OCI.

Loss allowances for FGC are recognised as financial liability to the extent that they exceed the initial carrying amount of the FGC less the accumulated income recognised.

Write-off

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

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, the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs 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. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

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 amount of the other assets in the CGU (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, 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 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 cost.

3.9 Government grants

Government grants are recognised initially as deferred income at their fair value where there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grants. These grants are then recognised in profit or loss as 'other income' on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 Employee benefits

Defined contribution plans

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

Retirement benefits

In accordance with the regulations of the People's Republic of China (the "PRC") Government, the subsidiaries are required to contribute employee retirement benefits to the relevant authority. The contributions are calculated based on directives issued by the relevant authority and are charged to profit or loss when incurred.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.11 Revenue

Goods sold

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

The transaction price is allocated to each PO in the contract on the basis of the relative standalone selling prices of the promised goods. The individual standalone selling price of a good that has not previously been sold on a standalone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods with observable standalone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.12 Finance income and finance costs

Finance income and finance costs include:

- interest income;
- dividend income;
- interest expense on loans and borrowings; and
- the net gain or loss on financial assets at FVTPL

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

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

3.13 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 end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for right-of-use assets that meet the definition of investment property are carried at fair value.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.13 Leases (Continued)

(i) As a lessee (Continued)

The lease terms of the right-of-use assets are as follows:

Leasehold land and buildings	15 – 40 years
Plant and machinery	1 – 3 years
Office equipment	5 years
Motor vehicles	3 years

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 its 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.

Where the basis for determining future lease payments changes as required by interest rate benchmark reform, the Group remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

The Group presents lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.14 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 a business combination, or items recognised directly in equity or in other comprehensive income.

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*.

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

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

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

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that
 - is not a business combination and
 - 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; and
- taxable temporary differences arising on the initial recognition of goodwill.

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 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.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

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

Segment results that are reported to the Group's Managing Director/Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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

3.17 New standards and interpretations not adopted

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

(i) **New SFRS(I) 18 to Replace SFRS(I) 1-1: *Presentation and Disclosure in Financial Statements issued***

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.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group is still in the process of assessing the impact of the new 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 others.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.17 New standards and interpretations not adopted (Continued)

(ii) Other accounting standards

The Group is in the process of assessing the potential impact on adopting the following new SFRS(I) and amendments to SFRS(I)s.

- Amendments to SFRS(I) 1-21: *Lack of Exchangeability*
- Amendments to SFRS(I) 9 and SFRS(I) 7: *Classification and Measurement of Financial Instruments*
- New SFRS(I) 19: *Subsidiaries without Public Accountability: Disclosures*

4 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings	Plant and machinery	Furniture and fittings	Motor vehicles	Construction in progress	Installation in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group							
Cost							
At 1 January 2024	65,002	90,581	9,434	3,326	8,945	1,278	178,566
Additions	1,062	1,698	937	23	9	184	3,913
Adjustment	–	–	–	–	–	(35)	(35)
Disposals/write-off	–	(1,440)	(376)	(608)	–	–	(2,424)
Reclassification	8,942	958	192	–	(8,942)	(1,150)	–
Effect of movements in exchange rates	52	52	2	2	(3)	–	105
At 31 December 2024	75,058	91,849	10,189	2,743	9	277	180,125
At 1 January 2025	75,058	91,849	10,189	2,743	9	277	180,125
Additions	100	1,240	722	233	162	8,174	10,631
Disposals/write-off	(29)	(6,617)	(96)	(554)	–	–	(7,296)
Reclassification	–	6,938	136	194	–	(7,268)	–
Effect of movements in exchange rates	(881)	(936)	(40)	(40)	2	5	(1,890)
At 31 December 2025	74,248	92,474	10,911	2,576	173	1,188	181,570

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold land and buildings \$'000	Plant and machinery \$'000	Furniture and fittings \$'000	Motor vehicles \$'000	Construction in progress \$'000	Installation in progress \$'000	Total \$'000
Group							
Accumulated depreciation							
At 1 January 2024	25,085	59,368	5,369	2,620	–	–	92,442
Depreciation charge for the year	2,950	5,820	801	226	–	–	9,797
Disposals/write-off	–	(1,257)	(322)	(604)	–	–	(2,183)
Effect of movements in exchange rates	22	35	–	3	–	–	60
At 31 December 2024	28,057	63,966	5,848	2,245	–	–	100,116
At 1 January 2025	28,057	63,966	5,848	2,245	–	–	100,116
Depreciation charge for the year	3,031	5,558	863	178	–	–	9,630
Disposals/write-off	(26)	(6,036)	(92)	(530)	–	–	(6,684)
Effect of movements in exchange rates	(348)	(649)	(33)	(35)	–	–	(1,065)
At 31 December 2025	30,714	62,839	6,586	1,858	–	–	101,997
Carrying amounts							
At 1 January 2024	39,917	31,213	4,065	706	8,945	1,278	86,124
At 31 December 2024	47,001	27,883	4,341	498	9	277	80,009
At 31 December 2025	43,534	29,635	4,325	718	173	1,188	79,573

	Leasehold buildings \$'000	Plant and machinery \$'000	Furniture and fittings \$'000	Motor vehicles \$'000	Installation in progress \$'000	Total \$'000
Company						
Cost						
At 1 January 2024	13,169	2,781	1,801	455	–	18,206
Additions	–	37	101	–	17	155
Disposals/write-off	–	–	–	(455)	–	(455)
Reclassification	–	–	(26)	–	–	(26)
At 31 December 2024	13,169	2,818	1,876	–	17	17,880
At 1 January 2025	13,169	2,818	1,876	–	17	17,880
Additions	–	18	17	–	118	153
Reclassification	–	18	–	–	(18)	–
At 31 December 2025	13,169	2,854	1,893	–	117	18,033
Accumulated depreciation						
At 1 January 2024	1,433	2,125	166	455	–	4,179
Depreciation charge for the year	733	279	146	–	–	1,158
Disposal/write-off	–	–	(25)	(455)	–	(480)
At 31 December 2024	2,166	2,404	287	–	–	4,857
At 1 January 2025	2,166	2,404	287	–	–	4,857
Depreciation charge for the year	733	286	148	–	–	1,167
At 31 December 2025	2,899	2,690	435	–	–	6,024
Carrying amounts						
At 1 January 2024	11,736	656	1,635	–	–	14,027
At 31 December 2024	11,003	414	1,589	–	17	13,023
At 31 December 2025	10,270	164	1,458	–	117	12,009

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

During the year, the Group acquired property, plant and equipment with an aggregate cost of \$10,631,054 (2024: \$3,912,637), of which \$1,638,357 (2024: \$282,509) remained unsettled as of year-end.

The following property, plant and equipment are pledged to banks to secure banking facilities granted to subsidiaries (note 17).

	Group	
	2025	2024
	\$'000	\$'000
Leasehold land and buildings	–	7,762

Impairment losses of property, plant and equipment

In 2025 and 2024, the Group carried out a review of the recoverable amounts of cash generating units (“CGU”) with impairment indicators and also CGUs with goodwill that are subject to mandatory annual impairment testing. The review resulted in no impairment was recognised.

The recoverable amounts of the CGUs is determined based on the calculation of their value-in-use derived from management’s cash flows projections for these CGUs.

Cash flow projections used in the value-in-use calculations were over a period of 5 years (2024: 5 to 20 years), based on the 2025 financial budget approved by Board of Directors.

Value-in-use

Key assumptions used in the estimation of value-in-use were as follows:

	2025	2024
	%	%
<i>Revenue growth rate</i>		
Singapore	(4) – 2	(6) – 3
People’s Republic of China	(8) – 48	(14) – 35
<i>Gross profit margin</i>		
Singapore	22 – 25	10 – 27
People’s Republic of China	11 – 23	10 – 26
<i>Post-tax discount rate</i>		
Singapore	8	9
People’s Republic of China	9	10

The forecasted revenue growth rate and gross profit margin are estimated based on past performance and the expectations of market developments. The discount rates are a post-tax measure estimated based on the weighted average cost of capital of comparable companies. The Group believes that any reasonably possible change in the above key assumptions is not likely to result in an additional impairment.

The pre-tax discount rates applied to the cash flow projections of CGUs in Singapore and People’s Republic of China are 11% and 11% – 12% (2024: 11% – 14% and 11% – 18%) respectively.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

5 RIGHT-OF-USE ASSETS

	Leasehold land and buildings	Plant and machinery	Office equipment	Motor vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
Cost					
At 1 January 2024	7,522	340	104	–	7,966
Additions	322	92	–	685	1,099
Derecognition	–	(60)	–	–	(60)
Effect of movements in exchange rates	4	–	(1)	–	3
At 31 December 2024	7,848	372	103	685	9,008
At 1 January 2025	7,848	372	103	685	9,008
Additions	196	125	–	–	321
Derecognition	–	(107)	–	–	(107)
Effect of movements in exchange rates	(7)	–	–	–	(7)
At 31 December 2025	8,037	390	103	685	9,215
Accumulated depreciation					
At 1 January 2024	877	135	23	–	1,035
Depreciation charge for the year	423	132	20	80	655
Derecognition	–	(53)	–	–	(53)
Effect of movements in exchange rates	3	–	–	–	3
At 31 December 2024	1,303	214	43	80	1,640
At 1 January 2025	1,303	214	43	80	1,640
Depreciation charge for the year	443	135	21	137	736
Derecognition	–	(107)	–	–	(107)
Effect of movements in exchange rates	(2)	–	–	–	(2)
At 31 December 2025	1,744	242	64	217	2,267
Carrying amounts					
At 1 January 2024	6,645	205	81	–	6,931
At 31 December 2024	6,545	158	60	605	7,368
At 31 December 2025	6,293	148	39	468	6,948

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

5 RIGHT-OF-USE ASSETS (CONTINUED)

	Leasehold land and buildings \$'000	Motor vehicles \$'000	Total \$'000
Company			
Cost			
At 1 January 2024	7,031	–	7,031
Addition	322	685	1,007
At 31 December 2024	7,353	685	8,038
At 1 January 2025	7,353	685	8,038
Addition	196	–	196
At 31 December 2025	7,549	685	8,234
Accumulated depreciation			
At 1 January 2024	739	–	739
Depreciation charge for the year	395	80	475
At 31 December 2024	1,134	80	1,214
At 1 January 2025	1,134	80	1,214
Depreciation charge for the year	416	137	553
At 31 December 2025	1,550	217	1,767
Carrying amounts			
At 1 January 2024	6,292	–	6,292
At 31 December 2024	6,219	605	6,824
At 31 December 2025	5,999	468	6,467

6 INTANGIBLE ASSETS

	Goodwill \$'000
Group	
Cost	
At 1 January 2024	1,024
Effect of movements in exchange rates	1
At 31 December 2024	1,025
At 1 January 2025	1,025
Effect of movements in exchange rates	(14)
At 31 December 2025	1,011
Accumulated amortisation	
At 1 January 2024 and 31 December 2024 and 31 December 2025	–
Carrying amounts	
At 1 January 2024	1,024
At 31 December 2024	1,025
At 31 December 2025	1,011

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

6 INTANGIBLE ASSETS (CONTINUED)

Annual impairment tests for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's CGU identified at individual entity level and within the group, as included in the following:

	Group	
	2025	2024
	\$'000	\$'000
Singapore		
– United Packaging Industries Pte. Ltd.	18	18
People's Republic of China		
– Hefei Dansun Packaging Co., Ltd.	564	572
– Nantong group of entities	429	435
	1,011	1,025

The recoverable amount of the CGUs is based on their value in use, determined by discounting the pre-tax future cash flows to be generated from the continuing use of the CGUs. The calculation for VIU is based on cash flow projections derived from financial budgets approved by Board of Directors covering a period of 5 years (2024: 5 years). The review resulted in no impairment was recognised.

For the purpose of analysing each CGU, management used the following key assumptions:

	2025	2024
	%	%
<i>Revenue growth rate</i>		
Singapore	(4) – 2	(5) – 3
People's Republic of China	(8) – 4	(14) – 5
<i>Gross profit margin</i>		
Singapore	22 – 25	25 – 27
People's Republic of China	11 – 23	10 – 26
<i>Post-tax discount rate</i>		
Singapore	8	9
People's Republic of China	9	10

The forecasted revenue growth rate and gross profit margin are estimated based on past performance and the expectations of market developments. The discount rates are a post-tax measure estimated based on the weighted average cost of capital of comparable companies.

The pre-tax discount rates applied to the cash flow projections of CGUs in Singapore and People's Republic of China are 11% and 10% – 12% (2024: 13% and 14% – 16%) respectively.

7 INVESTMENT IN SUBSIDIARIES

	Company	
	2025	2024
	\$'000	\$'000
Equity investments at cost	29,321	29,321

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

7 INVESTMENT IN SUBSIDIARIES (CONTINUED)

The Company assessed the carrying amount of its investments in subsidiaries for indicators of impairment. As at 31 December 2025, no impairment loss was recognised (2024: Nil) in subsidiaries.

Name	Country of incorporation	Principal activities	Ownership interest	
			2025 %	2024 %
Held by the Company:				
United Packaging Industries Pte. Ltd. ⁽ⁱ⁾	Singapore	Manufacture and sales of corrugated boards, corrugated cartons and other packaging products	100	100
Tat Seng Packaging (Suzhou) Co., Ltd. ^{(ii)&(iii)}	People's Republic of China	Manufacture and sales of corrugated boards, corrugated cartons and other packaging products	100	100
Hefei Dansun Packaging Co., Ltd. ^{(ii)&(iii)}	People's Republic of China	Manufacture and sales of corrugated cartons and other packaging products	94.4	94.4
Tianjin Dansun Packaging Co., Ltd. ^{(ii)&(iii)}	People's Republic of China	Manufacture and sales of corrugated cartons and other packaging products	67	67
Held through Tat Seng Packaging (Suzhou) Co., Ltd.:				
Nantong Hengcheng Paper Industry Co., Ltd. ⁽ⁱⁱⁱ⁾	People's Republic of China	Manufacture and sales of corrugated boards	70	70
Held through Nantong Hengcheng Paper Industry Co., Ltd.:				
Nantong Tat Seng Packaging Co., Ltd. ^{(ii)&(iii)}	People's Republic of China	Manufacture and sales of corrugated boards	100	100
Held through Hefei Dansun Packaging Co., Ltd.:				
Guangzhou Dansun Packaging Co., Ltd. ^(iv)	People's Republic of China	Manufacture and sales of corrugated boards, paper mould and other packaging products	100	100

(i) Audited by KPMG LLP, Singapore

(ii) Audited by other member firms of KPMG International for group consolidation purposes.

(iii) Audited by 苏州东恒会计事务 (普通合伙) for local statutory reporting purposes.

(iv) Not required to be audited by law of country of incorporation.

KPMG LLP is the auditor of the Singapore-incorporated subsidiary. Other member firms of KPMG International are auditors of significant foreign-incorporated subsidiaries. For this purpose, a subsidiary is considered significant as defined under 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

8 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Group				
Property, plant and equipment	–	–	1,251	1,286
Provisions	(257)	(399)	–	–
Investment in subsidiaries	–	–	1,865	2,565
Trade and other receivables	(13)	(27)	–	–
Tax loss carry-forwards	(2,142)	(2,723)	–	–
Lease liabilities	(1,111)	(1,143)	–	–
Right-of-use assets	–	–	1,096	1,144
Deferred tax (assets)/liabilities	(3,523)	(4,292)	4,212	4,995
Set off of tax	1,350	1,507	(1,350)	(1,507)
Net deferred tax (assets)/liabilities	(2,173)	(2,785)	2,862	3,488
Company				
Property, plant and equipment	–	–	272	261
Provisions	(93)	(40)	–	–
Lease liabilities	(1,029)	(1,053)	–	–
Right-of-use assets	–	–	1,019	1,057
Tax loss carry-forwards	(906)	(1,277)	–	–
Deferred tax (assets)/liabilities	(2,028)	(2,370)	1,291	1,318
Set off of tax	1,291	1,318	(1,291)	(1,318)
Deferred tax assets	(737)	(1,052)	–	–

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of unutilised tax losses of \$15,450 (2024: \$22,305).

The unutilised tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. Deferred tax assets have not been recognised in respect of the unutilised tax losses because it is not probable that future taxable profit will be available against which the subsidiaries concerned can utilise the benefit. Tax losses of the subsidiaries concerned amounting to \$15,450 (2024: \$22,305) will expire between 2026 and 2030 (2024: 2025 and 2029). The net reduction of \$6,855 (2024: \$916,439) in unutilised tax losses represents the expiration of tax losses and offset by addition unrecognised tax losses during the year.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

8 DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

Movements in deferred tax assets and liabilities during the year:

	At 1 January 2024	Recognised in profit or loss (note 25)	Exchange differences	At 31 December 2024	Recognised in profit or loss (note 25)	Exchange differences	At 31 December 2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group							
Property, plant and equipment	1,223	63	–	1,286	(33)	(2)	1,251
Provisions	(578)	179	–	(399)	136	6	(257)
Investment in subsidiaries	2,887	(386)	64	2,565	(714)	14	1,865
Trade and other receivables	(66)	39	–	(27)	13	1	(13)
Tax loss carry-forwards	(2,859)	137	(1)	(2,723)	559	22	(2,142)
Lease liabilities	(1,156)	13	–	(1,143)	31	1	(1,111)
Right-of-use assets	1,172	(28)	–	1,144	(47)	(1)	1,096
Total	623	17	63	703	(55)	41	689

	At 1 January 2024	Recognised in profit or loss	At 31 December 2024	Recognised in profit or loss	At 31 December 2025
	\$'000	\$'000	\$'000	\$'000	\$'000
Company					
Property, plant and equipment	357	(96)	261	11	272
Provisions	(91)	51	(40)	(53)	(93)
Tax loss carry-forwards	(1,266)	(11)	(1,277)	371	(906)
Lease liabilities	(1,052)	(1)	(1,053)	24	(1,029)
Right-of-use assets	1,070	(13)	1,057	(38)	1,019
Total	(982)	(70)	(1,052)	315	(737)

9 OTHER FINANCIAL ASSETS

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Other long term financial assets				
Time deposits, at amortised cost*	2,908	13,626	–	–
Structured notes, at FVTPL#	6,831	4,986	6,831	4,986
Singapore listed equity investments, at FVTPL	10,615	5,993	10,615	5,993
Investment fund, at FVTPL	1,935	1,928	1,935	1,928
	22,289	26,533	19,381	12,907
Other short term financial assets				
Time deposits, at amortised cost#	10,916	5,933	–	–

* Time deposits of the Group with stated fixed interest.

Principal-protected and interest-bearing.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

10 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Amount due from related parties				
– trade	481	378	465	358
Trade receivables	42,580	47,290	4,982	4,436
Impairment losses	(64)	(132)	–	–
Net trade receivables	42,997	47,536	5,447	4,794
Dividend receivables from				
– subsidiary	–	–	–	9,636
– investment in other financial assets	–	44	–	44
Other receivables	1,689	1,125	817	909
Deposits	430	350	17	17
Prepayments	646	264	32	28
Advance payments	1,135	1,392	7	7
VAT/GST receivables	532	–	–	–
Tax recoverable	6	29	6	–
	47,435	50,740	6,326	15,435
Non-current	201	216	–	–
Current	47,234	50,524	6,326	15,435
	47,435	50,740	6,326	15,435

11 INVENTORIES

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Raw materials	21,313	18,610	–	–
Work-in-progress	167	167	–	–
Finished goods	1,984	2,025	–	–
Goods-in-transit	364	576	–	–
Machinery parts	766	717	92	132
	24,594	22,095	92	132
Inventories recognised in cost of sales	181,788	196,156	21,940	22,501
Write-back for impairment losses of inventories (net)	(41)	(51)	–	–

In assessing the net realisable value of inventories, management takes into account the Group's recent transactions and expected future selling prices. Market conditions may, however, change which may affect the future selling prices of the inventories and accordingly, the carrying value of inventories may be subject to adjustments in future periods.

12 BILLS RECEIVABLE

All bills receivable are denominated in Renminbi ("RMB"). As at 31 December 2025 and 2024, all bills receivable were guaranteed by established banks in the PRC and have maturities of less than one year from the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

13 CASH ON HAND AND IN BANKS

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Fixed deposits	80,768	50,006	72,768	43,006
Cash at banks and in hand	29,405	47,463	2,822	5,883
	110,173	97,469	75,590	48,889

Cash and bank balances totalling \$22,347,284 (2024: \$35,280,471) are held in a country which operates foreign exchange controls.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following as at 31 December:

	Group	
	2025	2024
	\$'000	\$'000
Fixed deposits	80,768	50,006
Cash at banks and in hand	29,405	47,463
	110,173	97,469
Cash and bank balances pledged as security for bills payable granted to the Group	(8,166)	(7,668)
Cash and cash equivalents	102,007	89,801

14 SHARE CAPITAL

	Group and Company	
	2025	2024
	No. of shares '000	No. of shares '000
Fully paid ordinary shares, with no par value		
At 1 January and 31 December	157,200	157,200

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

15 OTHER RESERVES

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Foreign currency translation reserve	(14,978)	(13,536)	–	–
Statutory reserve fund	13,684	13,665	–	–
Capital reserve	3,566	3,566	–	–
	2,272	3,695	–	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

15 OTHER RESERVES (CONTINUED)

Foreign currency translation reserve

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

Statutory reserve fund

In accordance with the Foreign Enterprise Law applicable to the companies in the PRC, subsidiaries of the Group are required to make appropriation to statutory reserve fund ("SRF"). At least 10% of the statutory after tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiaries' registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiaries. The SRF is not available for dividend distribution to shareholders. Appropriation to SRF for subsidiaries that are not wholly-owned are at the discretion of the Board of Directors.

Capital reserve

The capital reserve comprises:

- the capitalisation of retained earnings of a subsidiary of the Group. The subsidiary capitalised its retained earnings in 2002 and 2005 in view of its expansion plans.
- the difference between the amount by which non-controlling interests are adjusted and the fair value of the consideration paid arising from acquisition of non-controlling interests in a subsidiary.

16 DEFERRED INCOME

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Grants				
At 1 January	1,193	1,463	207	224
Amortisation charge for the year	(245)	(270)	(17)	(17)
Effect of movements in exchange rates	(15)	–	–	–
At 31 December	933	1,193	190	207
Current	224	250	16	17
Non-current	709	943	174	190
	933	1,193	190	207

Included in deferred income are deferred grants relating to subsidies received from government for the acquisition of factory building and plant and machinery by its subsidiaries.

There are no unfulfilled conditions or contingencies attached to these grants.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

17 LOANS AND BORROWINGS

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Non-current				
Lease liabilities	6,107	6,359	5,746	5,951
Unsecured loans	3,346	–	–	–
	9,453	6,359	5,746	5,951
Current				
Bills payable*	31,036	28,894	–	–
Secured loans*	–	11,151	–	–
Lease liabilities	515	519	375	364
Unsecured loans	26,299	20,631	–	–
	57,850	61,195	375	364
Total loans and borrowings	67,303	67,554	6,121	6,315

* See note 4 for securities pledged.

Terms and conditions of outstanding interest-bearing liabilities are as follows:

	Nominal interest rate per annum	Maturity	2025		2024	
			Face value	Carrying amount	Face value	Carrying amount
			\$'000	\$'000	\$'000	\$'000
Group						
RMB loan (unsecured)	2.70%	2030	4,183	4,183	–	–
RMB loan (unsecured)	2.20%-2.60%	2026	25,462	25,462	–	–
RMB loan (secured)	2.40%-3.00%	2025	–	–	11,151	11,151
RMB loan (unsecured)	2.40%-3.10%	2025	–	–	20,631	20,631
Bills payable (secured) ⁽ⁱ⁾		2026	31,036	31,036	–	–
Bills payable (secured) ⁽ⁱ⁾		2025	–	–	28,894	28,894
Lease liabilities	2.75% – 6.25%	2026 – 2039	7,986	6,622	–	–
Lease liabilities	2.43% – 6.25%	2025 – 2039	–	–	8,412	6,878
Total interest-bearing liabilities			68,667	67,303	69,088	67,554
Company						
Lease liabilities	2.75%	2023 – 2039	7,368	6,121	7,693	6,315

⁽ⁱ⁾ The bills payable of the Group are secured by the cash and bank balance (2024: certain leasehold land and buildings, and cash and bank balances) of the Group (see note 13), and are non-interest bearing and mature within 6 months from the financial year end.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

17 LOANS AND BORROWINGS (CONTINUED)

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

	Liabilities			Total \$'000
	Lease liabilities	Loans and borrowings	Interest payables (Note 18)	
	\$'000	\$'000	\$'000	
Balance at 1 January 2024	6,835	68,890	33	75,758
Changes from financing cash flows				
Proceeds from loans and borrowings	–	99,148	–	99,148
Repayment of loans and borrowings	–	(107,406)	–	(107,406)
Payment on lease liabilities	(515)	–	–	(515)
Interest paid	–	–	(1,212)	(1,212)
Total changes from financing cash flows	(515)	(8,258)	(1,212)	(9,985)
Effect of changes in foreign exchange rates	1	44	–	45
Other changes				
New leases	564	–	–	564
Interest expense	–	–	1,209	1,209
Derecognition of lease liabilities	(7)	–	–	(7)
Total other changes	557	–	1,209	1,766
Balance at 31 December 2024	6,878	60,676	30	67,584
Balance at 1 January 2025	6,878	60,676	30	67,584
Changes from financing cash flows				
Proceeds from loans and borrowings	–	89,500	–	89,500
Repayment of loans and borrowings	–	(88,638)	–	(88,638)
Payment on lease liabilities	(571)	–	–	(571)
Interest paid	–	–	(1,042)	(1,042)
Total changes from financing cash flows	(571)	862	(1,042)	(751)
Effect of changes in foreign exchange rates	(6)	(857)	(1)	(864)
Other changes				
New leases	321	–	–	321
Interest expense	–	–	1,035	1,035
Total other changes	321	–	1,035	1,356
Balance at 31 December 2025	6,622	60,681	22	67,325

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

18 TRADE AND OTHER PAYABLES

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Trade payables	19,875	21,632	–	–
Other payables	5,974	4,115	202	140
Interest payables	22	30	–	–
Accrued operating expenses	2,737	4,518	718	655
Amounts due to holding company				
– non-trade	4	2	4	2
Amounts due to subsidiaries				
– trade	–	–	4,286	2,872
– non-trade	–	–	23	23
Provision	–	2,674	–	–
Accrued staff remuneration	7,296	7,176	2,195	2,652
VAT/GST payables	640	987	133	107
	36,548	41,134	7,561	6,451

Non-trade balances with subsidiaries and holding company are unsecured, non-interest bearing and repayable on demand.

As at 31 December 2024, a provision of \$2.7 million was recognised for a subsidiary's obligations under its steam energy supply contracts with Hefei Thermoelectricity Group Co., Ltd. ("HFTG") arising from an investigation by the authorities. In 2025, the subsidiary settled its obligation with HFTG amounting to \$2.3 million, and the remaining provision amount of \$0.4 million was reversed during the year.

19 REVENUE

	Group	
	2025	2024
	\$'000	\$'000
Sale of goods	231,406	253,938

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 or services	Manufacturing and sales of corrugated paper products and other packaging products.
When revenue is recognised	Revenue is recognised when goods are delivered to the customer.
Significant payment terms	Payment term granted to its customers is about 90 days.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

20 OTHER INCOME

	Group	
	2025	2024
	\$'000	\$'000
Government grants	754	1,240
Amortisation of deferred income	245	270
Gain on disposal of property, plant and equipment (net)	68	70
Net foreign exchange gain	–	232
Reversal of provision in relation to the consumption of steam usage of Hefei	444	–
Others	217	249
	1,728	2,061

21 OTHER EXPENSES

	Group	
	2025	2024
	\$'000	\$'000
Bad debts written off	14	–
Property, plant and equipment written off	8	116
Net foreign exchange loss	107	–
Other expenses – provision	–	2,671
Others	344	51
	473	2,838

22 FINANCE INCOME

	Group	
	2025	2024
	\$'000	\$'000
Interest income from fixed deposit, time deposit, structured notes and others	2,420	3,198
Dividend income on equity investment – at FVTPL	645	65
Gain on fair value of financial assets (net)	586	–
	3,651	3,263

23 FINANCE COSTS

	Group	
	2025	2024
	\$'000	\$'000
Interest expense on loans and borrowings	814	984
Interest expenses on lease liabilities	221	225
Loss on fair value of financial assets (net)	–	191
Bank charges	87	117
	1,122	1,517

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

24 PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Group	
	2025	2024
	\$'000	\$'000
Audit fees paid to:		
– auditors of the Company and other firms affiliated with KPMG International Limited	319	336
– other auditors	29	30
Non-audit fees paid to:		
– auditors of the Company and other firms affiliated with KPMG International Limited	109	8
– other auditors	35	33
Directors' fees	97	127
Employee benefits expense (see below)	34,562	36,455
Depreciation of property, plant and equipment	9,630	9,797
Depreciation of right-of-use assets	736	655
Expenses relating to short-term leases	254	436
Employee benefits expense		
Salaries, bonuses and other costs	31,644	33,806
Contributions to defined contribution plans	2,918	2,649
	34,562	36,455

25 TAX EXPENSE

	Note	Group	
		2025	2024
		\$'000	\$'000
Current tax expense			
Current year		1,886	3,148
Withholding tax		1,140	986
Adjustments for prior years		22	185
		3,048	4,319
Deferred tax expense			
Origination and reversal of temporary differences		16	466
Adjustments for prior years		(71)	(449)
	8	(55)	17
Total tax expenses		2,993	4,336

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

25 TAX EXPENSE (CONTINUED)

Reconciliation of effective tax rate

	Group	
	2025	2024
	\$'000	\$'000
Profit before tax	20,943	24,280
Tax at applicable rate of 17% (2024: 17%)	3,560	4,128
Non-deductible expenses	251	605
Income not subject to tax	(557)	(23)
Effects of tax rates in foreign jurisdiction	(217)	(374)
Tax incentives	(415)	(379)
Withholding tax	1,140	986
Effects of taxable distribution from subsidiaries	(713)	(339)
Over provided in prior years, net	(49)	(264)
Others	(7)	(4)
	2,993	4,336

The subsidiaries of the Group were accredited as “High and New Technology Enterprise” (“HNTE”) and were entitled to preferential income tax rate of 15% for a period of three years as follows:

	Period
2025	
Tat Seng Packaging (Suzhou) Co., Ltd.	2023 – 2025
Tianjin Dansun Packaging Co., Ltd.	2025 – 2027
Hefei Dansun Packaging Co., Ltd.	2025 – 2027
2024	
Tat Seng Packaging (Suzhou) Co., Ltd.	2023 – 2025
Tianjin Dansun Packaging Co., Ltd.	2022 – 2024
Hefei Dansun Packaging Co., Ltd.	2022 – 2024

26 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

26 EARNINGS PER SHARE (CONTINUED)

The following tables reflect the profit and loss and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	Group	
	2025	2024
	\$'000	\$'000
Profit, net of tax, attributable to owners of the Company	16,887	18,825

	No. of shares	
	'000	'000
Weighted average number of ordinary shares for basic and diluted earnings per share computation	157,200	157,200

As there are no share options and warrants in issue as at the financial year end, the basic and fully diluted earnings per share are the same.

27 DIVIDENDS

The following exempt (one-tier) dividends were declared and paid by the Group and Company:

For the year ended 31 December

	Group and Company	
	2025	2024
	\$'000	\$'000
Paid by the Company to owners of the Company		
Final exempt (one-tier) dividend at \$0.030 (2024: \$0.020) per ordinary share in respect of the previous financial year	4,716	3,144
Interim exempt (one-tier) dividend at \$0.010 (2024: \$0.030) per ordinary share in respect of the current financial year	1,572	4,716
	6,288	7,860

	Group	
	2025	2024
	\$'000	\$'000
Paid by subsidiaries to NCI		
Dividends in respect of the current financial year	953	1,422

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

27 DIVIDENDS (CONTINUED)

After the respective reporting dates, the following exempt (one-tier) dividends were proposed by the directors. These exempt (one-tier) dividends have not been provided for.

	Group and Company	
	2025	2024
	\$'000	\$'000
Special exempt (one-tier) dividend at \$0.340 (2024: \$Nil) per ordinary share in respect of current financial year	53,448	–
Final exempt (one-tier) dividend at \$0.050 (2024: \$0.030) per ordinary share in respect of current financial year	7,860	4,716

28 BANKING FACILITIES

The amounts of credit facilities granted by the banks to the Group and the Company at the reporting date were as follows:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Loan and trade financing facilities	161,475	145,432	6,100	6,100
Overdraft facilities	–	2,000	–	–
Foreign exchange contracts	5,000	5,000	1,000	1,000

The banking facilities of its subsidiaries are secured by the certain leasehold and buildings of its subsidiaries (note 4).

29 RELATED PARTIES

During the year, other than disclosed elsewhere in the financial statements, there were the following significant transactions with related parties:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Holding company:				
Corporate service fee	24	24	24	24
Subsidiaries:				
Services rendered	–	–	(971)	(586)
Management fee income	–	–	(514)	(512)
Recharge of centralised cost	–	–	(1,491)	(1,445)
Dividend income	–	–	(27,800)	(24,724)
Rental expenses	–	–	5	5
Purchases	–	–	20,096	20,866
Companies in which a director have substantial financial interests:				
Sales of goods	(1,581)	(1,541)	(1,496)	(1,489)
Purchase of goods	1	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

29 RELATED PARTIES (CONTINUED)

Key management personnel compensation

Key management personnel compensation comprised:

	Group	
	2025	2024
	\$'000	\$'000
Short-term employee benefits	3,571	3,884
Defined contributions plan	37	37
	3,608	3,921

The key management personnel comprise the Executive Chairman, Chief Executive Officer/Managing Director, Group Chief Financial Officer and Deputy Managing Director, China Region and Group Strategic Development.

30 COMMITMENTS

Capital commitments

Capital expenditure contracted for as at the reporting date but not recognised in the financial statements are as follows:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Capital commitments in respect of purchase of property, plant and equipment	1,290	259	7	18

Corporate guarantees

At the reporting date, the Company provided corporate guarantees amounting to \$5,503,153 (2024: \$5,582,694) to banks for banking facilities of \$5,503,153 (2024: \$5,582,694) made available to its subsidiaries, of which the subsidiaries has utilised \$2,266,453 (2024: \$Nil). The Company does not consider it probable that a claim will be made against the Company under the guarantee.

31 LEASES

Leases as lessee

The Group leases buildings, plant and machinery and office equipment. The lease period of the leases is disclosed in note 3.13. Some leases provide for additional or less rent payments that are based on changes in local price indices.

The Company entered into a land lease agreement for a period of 18 years. The lease rent payments are subject to revision based on the market rent for the property, but any increase will not exceed 5.5% of the land rent for the immediately preceding year. There are no extension or purchase options available within the lease agreement.

Information about leases for which the Group is a lessee is presented below and right-of-use assets as disclosed in note 5.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

31 LEASES (CONTINUED)

Amounts recognised in profit or loss

	2025	2024
	\$'000	\$'000
Interest on lease liabilities	221	225
Expenses relating to short-term leases	254	436

Amounts recognised in statement of cash flows

	2025	2024
	\$'000	\$'000
Payment of lease liabilities	571	515
Interest on lease liabilities	221	225
Total cash outflow for leases	792	740

32 FINANCIAL RISK MANAGEMENT

Overview

The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's maximum exposure to credit risk arises primarily from trade receivables, other receivables (excluding prepayments, advances to suppliers and VAT/GST receivables) and deposits.

Credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. For other financial assets (including bills receivable, cash on hand and in banks and other financial assets), the Group minimises credit risk by dealing with reputable counterparties. As at 31 December 2025, the Group's concentration of credit risk by geographical locations is in Singapore and the PRC.

Trade receivables

Risk management policy

The Group has a credit policy in place which establishes credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

The Group establishes an allowance for impairment that represents its expected losses in respect of trade receivables.

Credit risk relating to trade receivables are limited due to the Group's many varied customers and counterparties. These customers and counterparties are engaged in a wide spectrum of activities, and sell in a variety of end markets.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

Trade receivables (Continued)

Risk management policy (Continued)

The Group determines concentration of credit risk by monitoring the credit terms of its trade receivables to each customer and counterparties and in each country on an on-going basis. The credit risk concentration profile of the Group's trade receivables by country at the reporting date is as follows:

	2025	2025	2024	2024
	\$'000	%	\$'000	%
Singapore	8,234	19	7,783	16
PRC	34,827	81	39,885	84
	43,061	100	47,668	100

Impairment losses

The ageing of trade receivables at the reporting date was as follow:

	Gross	Impairment	Gross	Impairment
	2025	2025	2024	2024
	\$'000	\$'000	\$'000	\$'000
Group				
Not past due	41,211	–	43,391	(2)
Past due 1 – 90 days	1,827	(41)	4,160	(13)
Past due 91 – 180 days	13	(13)	73	(73)
Past due 181 – 365 days	–	–	32	(32)
More than one year	10	(10)	12	(12)
	43,061	(64)	47,668	(132)

	Gross	Impairment	Gross	Impairment
	2025	2025	2024	2024
	\$'000	\$'000	\$'000	\$'000
Company				
Not past due	5,440	–	3,720	–
Past due 1 – 90 days	7	–	1,074	–
Past due 91 – 180 days	–	–	–	–
Past due 181 – 365 days	–	–	–	–
More than one year	–	–	–	–
	5,447	–	4,794	–

Management has implemented a credit risk policy to monitor and manage the credit risk arising from trade receivables. The policy includes an analysis considering both quantitative and qualitative information in determining the ECL of the trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

Trade receivables (Continued)

Impairment losses (Continued)

The movements in impairment losses in respect of trade receivables during the year are as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
At 1 January	132	351	–	–
Reversal of allowance made for impairment losses (net)	(61)	(203)	–	–
Amounts written off	(4)	(16)	–	–
Exchange differences	(3)	–	–	–
At 31 December	64	132	–	–

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group.

Other receivables and deposits

As at 31 December 2025, the Group held other receivables and deposits, in aggregate of \$2,118,848 (2024: \$1,518,778). The Company held other receivables and deposits of \$834,153 (2024: \$959,474).

The Group and the Company use an approach that is based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to audited financial statements, management accounts and cash flow projections, if available, and applying experienced credit judgement).

There was no allowance for impairment of other receivables and deposits during the years.

Cash on hand and in banks

The Group and the Company held cash on hand and in banks of \$110,173,102 and \$75,589,804 as at 31 December 2025 (2024: \$97,469,398 and \$48,889,058 respectively). These figures represent their maximum credit exposures on these assets. Cash on hand and in banks are placed with reputable financial institutions with high credit ratings.

The Group considers that its cash on hand and in banks have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash on hand and in banks is negligible.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

Bills receivable and other financial assets

As at 31 December 2025, the Group held bills receivables of \$25,961,254 (2024: \$34,538,806) and other financial assets of \$33,204,694 (2024: \$32,466,003), comprising time deposits, structured notes, equity investments and investment fund placed with reputable financial institutions and are considered to have low credit risk based on external ratings of the counterparties. The amount of the allowance on bills receivable and other financial assets is negligible.

As at 31 December 2025, the Company held other financial assets of \$19,380,539 (2024: \$12,906,919), comprising structured notes, equity investments and investment fund placed with reputable financial institutions and are considered to have low credit risk based on external ratings of the counterparties. The amount of the allowance on other financial assets is negligible.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. Liquidity risk arises in the general funding of the Group's operating activities. It includes the risk of not being able to fund operating activities at settlement dates and liquidate positions in a timely manner at a reasonable price.

The Group manages its liquidity risk by ensuring the availability of funding through diverse sources of committed and uncommitted credit facilities from various banks and maintaining adequate cash and cash equivalents.

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows	Within 1 year	After 1 year but within 5 years	More than 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
31 December 2025					
Non-derivative financial liabilities					
Trade and other payables*	28,612	(28,612)	(28,612)	–	–
Loans and borrowings	67,303	(69,416)	(58,413)	(6,099)	(4,904)
Total	95,915	(98,028)	(87,025)	(6,099)	(4,904)
31 December 2024					
Non-derivative financial liabilities					
Trade and other payables*	30,297	(30,297)	(30,297)	–	–
Loans and borrowings	67,554	(70,856)	(63,176)	(2,844)	(4,836)
Total	97,851	(101,153)	(93,473)	(2,844)	(4,836)

* excludes VAT/GST payables, provision and accrued staff remuneration.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (Continued)

	Carrying amount	Contractual cash flows	Within 1 year	After 1 year but within 5 years	More than 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000
Company					
31 December 2025					
Non-derivative financial liabilities					
Trade and other payables*	5,233	(5,233)	(5,233)	–	–
Loans and borrowings	6,121	(7,368)	(576)	(2,112)	(4,680)
Recognised financial liabilities	11,354	(12,601)	(5,809)	(2,112)	(4,680)
Corporate guarantees	–	(5,503)	(5,503)	–	–
Total	11,354	(18,104)	(11,312)	(2,112)	(4,680)
31 December 2024					
Non-derivative financial liabilities					
Trade and other payables*	3,692	(3,692)	(3,692)	–	–
Loans and borrowings	6,315	(7,693)	(534)	(2,587)	(4,572)
Recognised financial liabilities	10,007	(11,385)	(4,226)	(2,587)	(4,572)
Corporate guarantees	–	(5,583)	(5,583)	–	–
Total	10,007	(16,968)	(9,809)	(2,587)	(4,572)

* excludes VAT/GST payables, provision and accrued staff remuneration.

The maturity analyses show the contractual undiscounted cash flows of the Group and the Company's financial liabilities on the basis of their earliest possible contractual maturity. The cash outflows disclosed relate to those instruments held for risk management purposes and which are usually not closed out prior to contractual maturity.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange 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 on risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risks arises primarily from the Group's loans and borrowings. The Group's policy is to maintain the bank borrowings to the minimum, and to obtain the most favourable interest rates available.

Surplus funds in the Group are placed in deposits with banks and are subject to interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (Continued)

Interest rate risk (Continued)

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Fixed rate instruments				
Financial assets	101,423	74,552	79,599	43,006
Financial liabilities*	(29,645)	(28,064)	–	–
	71,778	46,488	79,599	43,006
Variable rate instruments				
Financial assets	22,342	25,597	–	–
Financial liabilities*	–	(3,718)	–	–
	22,342	21,879	–	–

* excludes trade and other payables, lease liabilities and bills payable.

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, in respect of the fixed rate instruments, a change in interest rates at the reporting date would not affect the profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss (before any tax effects) by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss			
	Group		Company	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	\$'000	\$'000	\$'000	\$'000
2025				
Variable rate instruments	223	(223)	–	–
2024				
Variable rate instruments	219	(219)	–	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (Continued)

Sensitivity analysis – equity price risk

The financial assets designated at FVTPL of the Group and the Company relate to investments in quoted equity securities which are listed on the Singapore Stock Exchange.

A 10% increase/(decrease) in the underlying equity prices at the reporting date would increase/(decrease) profit before tax and equity by the amounts shown below. This analysis assumes that all other variables remain constant.

	Group		Company	
	10% increase \$'000	10% decrease \$'000	10% increase \$'000	10% decrease \$'000
2025				
Profit before tax	1,062	(1,062)	1,062	(1,062)
2024				
Profit before tax	599	(599)	599	(599)

Currency risk

The Group is exposed to foreign exchange risk on sales, purchases and investments, including inter-company sales and purchases and inter-company balances that are denominated in a currency other than the functional currency of the respective companies in the Group. The currency giving rise to this risk is primarily the US dollars ("USD").

Foreign currencies received are kept in foreign currency bank accounts and are used to make foreign currency payments so as to minimise the foreign exchange exposure. The Group is also exposed to currency translation risk arising from its net investments in PRC. The Group's net investments in PRC are not hedged as currency positions in RMB is considered long-term in nature.

The Group's exposures to foreign currencies are as follows:

	2025		2024	
	USD \$'000	Others \$'000	USD \$'000	Others \$'000
Group				
Trade and other receivables	6,177	–	4,759	–
Cash on hand and in banks	668	–	4,352	–
Trade and other payables	(1,676)	(11)	(686)	(12)
Net exposure	5,169	(11)	8,425	(12)

	2025		2024	
	USD \$'000	Others \$'000	USD \$'000	Others \$'000
Company				
Trade and other receivables	719	–	4	–
Cash on hand and in banks	59	–	2,810	–
Trade and other payables	(105)	(3)	–	(50)
Net exposure	673	(3)	2,814	(50)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (Continued)

Currency risk (Continued)

Sensitivity analysis

A 5% (2024: 5%) strengthening of the above currencies against the functional currency of the respective subsidiaries of the Group and the Company at the reporting date would increase/(decrease) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group Profit or loss \$'000	Company Profit or loss \$'000
31 December 2025		
USD	258	33
Others	(1)	-
31 December 2024		
USD	421	141
Others	(1)	(3)

A 5% (2024: 5%) weakening of the above currencies against the functional currencies of the respective Group entities 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.

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The fair value disclosure of lease liabilities is also not required.

	Note	Carrying amount				Total \$'000	Fair value		
		At amortised cost \$'000	FVOCI – debts instruments \$'000	Designated at FVTPL \$'000	Other financial liabilities \$'000		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Group									
31 December 2025									
Financial assets measured at fair value									
Bills receivable	12	-	25,961	-	-	25,961		25,961	
Other financial assets	9	-	-	19,381	-	19,381	12,550	6,831	
		-	25,961	19,381	-	45,342			
Financial assets not measured at fair value									
Other financial assets	9	13,824	-	-	-	13,824		13,806	
Trade and other receivables*	10	45,116	-	-	-	45,116			
Cash on hand and in banks	13	110,173	-	-	-	110,173			
		169,113	-	-	-	169,113			
Financial liabilities not measured at fair value									
Unsecured loans	17	-	-	-	(29,645)	(29,645)		(29,125)	
Bills payable	17	-	-	-	(31,036)	(31,036)			
Trade and other payables#	18	-	-	-	(28,612)	(28,612)			
		-	-	-	(89,293)	(89,293)			

* excludes prepayments and advances to suppliers, VAT/GST receivables and tax recoverable.

excludes VAT/GST payables, provision and accrued staff remuneration.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (Continued)

Accounting classifications and fair values (Continued)

	Note	Carrying amount				Total	Fair value		
		At	FVOCI –	Designated	Other		Level 1	Level 2	Level 3
		amortised	debts	at FVTPL	financial				
cost	instruments	at FVTPL	liabilities	\$'000	\$'000	\$'000	\$'000		
Group									
31 December 2024									
Financial assets measured at fair value									
Bills receivable	12	–	34,539	–	–	34,539		34,539	
Other financial assets	9	–	–	12,907	–	12,907	7,921	4,986	
		–	34,539	12,907	–	47,446			
Financial assets not measured at fair value									
Other financial assets	9	19,559	–	–	–	19,559		19,640	
Trade and other receivables*	10	49,055	–	–	–	49,055			
Cash on hand and in banks	13	97,469	–	–	–	97,469			
		166,083	–	–	–	166,083			
Financial liabilities not measured at fair value									
Secured loans	17	–	–	–	(11,151)	(11,151)		(11,367)	
Unsecured loans	17	–	–	–	(20,631)	(20,631)		(22,183)	
Bills payable	17	–	–	–	(28,894)	(28,894)			
Trade and other payables#	18	–	–	–	(30,297)	(30,297)			
		–	–	–	(90,973)	(90,973)			

* excludes prepayments and advances to suppliers, VAT/GST receivables and tax recoverable.

excludes VAT/GST payables, provision and accrued staff remuneration.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (Continued)

Accounting classifications and fair values (Continued)

	Note	Carrying amount			Fair value		
		At	Designated	Other	Level 1	Level 2	Level 3
		amortised	at FVTPL	financial			
cost		liabilities	Total				
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Company							
31 December 2025							
Financial assets measured at fair value							
Other financial assets	9	–	19,381	–	19,381	12,550	6,831
31 December 2025							
Financial assets not measured at fair value							
Trade and other receivables*	10	6,281	–	–	6,281		
Cash on hand and in banks	13	75,590	–	–	75,590		
		81,871	–	–	81,871		
Financial liabilities not measured at fair value							
Trade and other payables#	18	–	–	(5,233)	(5,233)		
31 December 2024							
Financial assets measured at fair value							
Other financial assets	9	–	12,907	–	12,907	7,921	4,986
31 December 2024							
Financial assets not measured at fair value							
Trade and other receivables*	10	15,400	–	–	15,400		
Cash on hand and in banks	13	48,889	–	–	48,889		
		64,289	–	–	64,289		
Financial liabilities not measured at fair value							
Trade and other payables#	18	–	–	(3,692)	(3,692)		

* excludes prepayments and advances to suppliers.

excludes VAT/GST payables and accrued staff remuneration.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

Measurement of fair values

Valuation techniques and significant unobservable inputs

The following table show the valuation techniques used in measuring level 2 fair values.

Financial instruments measured at fair value

Type	Valuation technique
Bills receivable	<i>Discounted cash flows</i> : The valuation model considers the present value of expected payment discounted using a risk-adjusted discounted rate.
Structured notes	<i>Market comparable approach/Discounted cash flows</i> : 1) Market prices of similar instruments, with adjustments made for differences in terms, credit risk, and accrual conditions. 2) Expected future payments are discounted using a risk-adjusted discounted rate, incorporating the probability of the 10Y swap rate remaining within the specified range.

Financial instruments not measured at fair value

Type	Valuation technique
Time deposit	<i>Discounted cash flows</i> : The valuation model considers the present value of expected payment discounted using a risk-adjusted discounted rate.
Secured and unsecured loans	<i>Discounted cash flows</i> : The valuation model considers the present value of expected payment discounted using a risk-adjusted discounted rate.

During the financial years ended 31 December 2025 and 31 December 2024, there were no transfers between Level 1 and Level 2.

33 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 2024.

As disclosed in note 15, subsidiaries of the Group are required by the Foreign Enterprise Law of the PRC to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiaries for the financial years ended 31 December 2025 and 2024.

The Group monitors capital using net debt to total capital ratio. The Group includes within net debt, loans and borrowings, trade and other payables, less cash on hand and in banks. Capital includes equity attributable to the owners of the Company and the above mentioned restricted statutory reserve funds.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

33 CAPITAL MANAGEMENT (CONTINUED)

	Group	
	2025	2024
	\$'000	\$'000
Trade and other payables	36,548	41,134
Loans and borrowings	67,303	67,554
Less: Cash on hand and in banks	(110,173)	(97,469)
Net (cash)/debt	(6,322)	11,219
Equity attributable to owners of the Company	211,564	202,407
Less: Statutory reserve fund	(13,684)	(13,665)
Total capital	197,880	188,742
Net (cash)/debt to total capital ratio	(0.03)	0.06

34 NON-CONTROLLING INTERESTS

The following table summarises the information relating to the Group's subsidiaries with material non-controlling interest ("NCI"), based on their respective (consolidated) financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in Group's accounting policies.

	Material NCI in PRC \$'000	Other individually immaterial NCI in PRC \$'000	Total \$'000
31 December 2025			
Revenue	60,532		
Profit	349		
Other comprehensive income	(316)		
Total comprehensive income	33		
Attributable to NCI:			
– Profit for the year	105	958	1,063
– Other comprehensive income	(95)	(57)	(152)
– Total comprehensive income	10	901	911
Non-current assets	25,021		
Current assets	33,931		
Non-current liabilities	(7,569)		
Current liabilities	(29,630)		
Net assets	21,753		
Net assets attributable to NCI	6,526	4,498	11,024
Cash flows from operating activities	(3,151)		
Cash flows from investing activities	(843)		
Cash flows from financing activities	2,912		
Net decrease in cash and cash equivalents	(1,082)		

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

34 NON-CONTROLLING INTERESTS (CONTINUED)

	Material NCI in PRC \$'000	Other individually immaterial NCI in PRC \$'000	Total \$'000
31 December 2024			
Revenue	64,854		
Profit	302		
Other comprehensive income	<u>17</u>		
Total comprehensive income	319		
Attributable to NCI:			
– Profit for the year	91	1,028	1,119
– Other comprehensive income	<u>5</u>	<u>2</u>	<u>7</u>
– Total comprehensive income	96	1,030	1,126
Non-current assets	27,446		
Current assets	31,766		
Non-current liabilities	(9,663)		
Current liabilities	<u>(27,434)</u>		
Net assets	22,115		
Net assets attributable to NCI	6,635	4,431	11,066
Cash flows from operating activities	7,028		
Cash flows from investing activities	(588)		
Cash flows from financing activities	<u>(5,285)</u>		
Net increase in cash and cash equivalents	<u>1,155</u>		

35 SEGMENT INFORMATION

The Group has two reportable segments which are geographical segments namely Singapore and PRC. These geographical segments are managed separately because they require different marketing strategies and bear different financial and business risks.

Geographical segments are defined based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. These operating businesses are organised and managed separately with each segment representing a strategic business unit that serves different markets.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income tax and deferred tax assets and liabilities. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

35 SEGMENT INFORMATION (CONTINUED)

	Singapore \$'000	PRC \$'000	Group \$'000
31 December 2025			
Revenue:			
Sales to external customers	42,309	189,097	231,406
Results from operating activities	2,682	15,732	18,414
Finance income	2,987	664	3,651
Finance costs	(235)	(887)	(1,122)
Net finance income/(costs)	2,752	(223)	2,529
Tax expense			(2,993)
Net profit for the year			17,950
Segment assets	145,281	183,619	328,900
Unallocated assets			2,173
Total assets			331,073
Segment liabilities	15,441	89,343	104,784
Unallocated liabilities			3,701
Total liabilities			108,485
Capital expenditure	980	9,651	10,631
Depreciation of property, plant and equipment	2,735	6,895	9,630
Depreciation of right-of-use assets	708	28	736

	Singapore \$'000	PRC \$'000	Group \$'000
31 December 2024			
Revenue:			
Sales to external customers	45,955	207,983	253,938
Results from operating activities	4,396	18,138	22,534
Finance income	2,310	953	3,263
Finance costs	(456)	(1,061)	(1,517)
Net finance income/(costs)	1,854	(108)	1,746
Tax expense			(4,336)
Net profit for the year			19,944
Segment assets	124,938	200,773	325,711
Unallocated assets			2,785
Total assets			328,496
Segment liabilities	15,947	93,934	109,881
Unallocated liabilities			5,142
Total liabilities			115,023
Capital expenditure	1,630	2,283	3,913
Depreciation of property, plant and equipment	2,604	7,193	9,797
Depreciation of right-of-use assets	627	28	655

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

35 SEGMENT INFORMATION (CONTINUED)

Major Customer

Revenue from a customer of the Group's PRC segments represents approximately \$23,407,000 (2024: \$28,181,000) of the Group's total revenues.

36 SUBSEQUENT EVENT

Subsequent to year-end, the Company will complete a business transfer under the Business Transfer agreement entered into on 30 December 2025 with its wholly-owned subsidiary United Packaging Industries Pte. Ltd. ("UPI") to transfer the business of UPI (including the business, assets, liabilities and employees) to the Company on 31 March 2026. The final transfer consideration will be determined based on the unaudited balance sheet as at 31 March 2026 in respect of the transfer items, being the outstanding balances of trade and other receivables, trade and other payables (excluding GST payables), lease liabilities, net carrying amount of stocks, and net book value of fixed assets and ROU assets.

As the Business Transfer is an intra-group transaction, it is not expected to have a material impact on the consolidated financial statements of the Group.

LAND & BUILDINGS

SINGAPORE, TAT SENG PACKAGING OPERATIONS

Location	:	No. 28, Senoko Drive, Singapore 758214
Usage	:	Factory premises, office building
Land area	:	20,070.9 square metres
Tenure	:	Leasehold – 18 years lease of 20,070.9 square metres expiring on 15 December 2039
Ownership	:	100% owned by Tat Seng Packaging Group. Ltd.
Net carrying amount	:	S\$10.3 million as at 31 December 2025

CHINA, SUZHOU OPERATIONS

Location	:	Jiangsu Province, Suzhou City, Xiangcheng District, Wanting Town, Wendu Road, No. 88
Usage	:	Factory premises, office building, dormitory
Land area	:	58,798.6 square metres
Tenure	:	Leasehold – 50 years lease of 58,798.6 square metres expiring on 4 September 2047
Ownership	:	100% owned by Tat Seng Packaging (Suzhou) Co., Ltd.
Net carrying amount	:	RMB7.9 million (approximately S\$1.4 million) as at 31 December 2025

CHINA, HEFEI OPERATIONS

Location	:	Anhui Province, Hefei Eco-Tech Development Zone, Zipeng Road, No. 105
Usage	:	Factory premises, office building
Land area	:	57,047.6 square metres
Tenure	:	Leasehold – 48 years lease of 35,800 square metres expiring in August 2053 – 49 years 8 months lease of 13,600 square metres expiring on 8 December 2056 – 50 years lease of 7,647.6 square metres expiring in 23 May 2055
Ownership	:	100% owned by Hefei Dansun Packaging Co., Ltd.
Net carrying amount	:	RMB50.1 million (approximately to S\$9.2 million) as at 31 December 2025

CHINA, NANTONG TAT SENG OPERATIONS

Location	:	Jiangsu Province, Nantong City, Tongzhou District, Xiting Town, Ting Nan Heng Road
Usage	:	Factory premises, office building
Land area	:	26,586 square metres
Tenure	:	Leasehold – 50 years lease of 26,586 square metres expiring on 18 March 2060
Ownership	:	100% owned by Nantong Tat Seng Packaging Co., Ltd.
Net carrying amount	:	RMB11.4 million (approximately to S\$2.1 million) as at 31 December 2025
Location	:	Jiangsu Province, Nantong City, Tongzhou District, Xiting Town
Usage	:	Factory premises, office building
Land area	:	74,115 square metres
Tenure	:	Leasehold – 50 years lease of 74,115 square metres expiring on 11 March 2068
Ownership	:	100% owned by Nantong Tat Seng Packaging Co., Ltd.
Net carrying amount	:	RMB85.2 million (approximately to S\$15.6 million) as at 31 December 2025

CHINA, TIANJIN OPERATIONS

Location	:	Tianjin City, Airport Economic Zone, Dongle district, Jingyi road, No. 257
Usage	:	Factory premises, office building
Land area	:	33,233.3 square metres
Tenure	:	Leasehold – 50 years lease of 33,233.3 square metres expiring on 3 April 2062
Ownership	:	100% owned by Tianjin Dansun Packaging Co., Ltd.
Net carrying amount	:	RMB27.6 million (approximately to S\$5.1 million) as at 31 December 2025

资产负债表

于2025年12月31日

	附注	集团		公司	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
非流动资产					
固定资产	4	79,573	80,009	12,009	13,023
使用权资产	5	6,948	7,368	6,467	6,824
无形资产	6	1,011	1,025	–	–
投资子公司	7	–	–	29,321	29,321
递延所得税资产	8	2,173	2,785	737	1,052
其他金融资产	9	22,289	26,533	19,381	12,907
应收账款及其他应收款	10	201	216	–	–
		112,195	117,936	67,915	63,127
流动资产					
其他金融资产	9	10,916	5,933	–	–
存货	11	24,594	22,095	92	132
应收票据	12	25,961	34,539	–	–
应收账款及其他应收款	10	47,234	50,524	6,326	15,435
现金和现金等同物	13	110,173	97,469	75,590	48,889
		218,878	210,560	82,008	64,456
资产总计		331,073	328,496	149,923	127,583
股东权益					
股本	14	31,440	31,440	31,440	31,440
未分配利润		177,852	167,272	104,611	83,170
储备金	15	2,272	3,695	–	–
		211,564	202,407	136,051	114,610
少数股东权益	34	11,024	11,066	–	–
股东权益合计		222,588	213,473	136,051	114,610
非流动负债					
递延收入	16	709	943	174	190
长期借款和租赁	17	9,453	6,359	5,746	5,951
递延所得税负债	8	2,862	3,488	–	–
		13,024	10,790	5,920	6,141
流动负债					
递延收入	16	224	250	16	17
短期借款和租赁	17	57,850	61,195	375	364
应付账款及其他应付款	18	36,548	41,134	7,561	6,451
应交所得税		839	1,654	–	–
		95,461	104,233	7,952	6,832
负债合计		108,485	115,023	13,872	12,973
负债及股东权益总计		331,073	328,496	149,923	127,583

合并损益表

至2025年12月31日止年度

	附注	2025 \$'000	2024 \$'000
销售收入	19	231,406	253,938
销售成本		(183,011)	(197,460)
毛利		48,395	56,478
其他营业收入	20	1,728	2,061
销售费用		(17,016)	(17,192)
管理费用		(14,281)	(16,178)
应收账款及其他应收款减值损失(净)		61	203
其他营业费用	21	(473)	(2,838)
营业活动之盈利		18,414	22,534
财务收入	22	3,651	3,263
财务费用	23	(1,122)	(1,517)
净财务收入		2,529	1,746
税前盈利	24	20,943	24,280
所得税费用	25	(2,993)	(4,336)
本期盈利		17,950	19,944
可归属			
母公司股东		16,887	18,825
少数股东权益		1,063	1,119
本期盈利		17,950	19,944
每股收益			
每股基本与稀释收益(分)	26	10.74	11.98

SHAREHOLDING STATISTICS

As at 11 March 2026

Number of Issued and Fully Paid Shares	:	157,200,000
Class of Shares	:	Ordinary Share with equal voting rights
Treasury Shares	:	NIL
Issued and Fully Paid Share Capital	:	S\$31,440,000

SUBSTANTIAL SHAREHOLDERS AS AT 11 MARCH 2026

SUBSTANTIAL SHAREHOLDERS	NUMBER OF SHARES HELD		SHAREHOLDING PERCENTAGE %
	DIRECT INTEREST	DEEMED INTEREST	
PSC Corporation Ltd.	100,529,000	–	63.95
Goi Seng Hui ⁽¹⁾	39,159,501	100,529,000	88.86

Note:

⁽¹⁾ Goi Seng Hui is deemed to have interest in shares of the Company that is held by PSC Corporation Ltd. in the capital of the Company, by virtue of Section 7(4A) of the Companies Act 1967.

ANALYSIS OF SHAREHOLDINGS AS AT 11 MARCH 2026

RANGE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS		NO. OF SHARES	
		%		%
1 – 99	2	0.32	4	0.00
100 – 1,000	189	29.95	170,300	0.11
1,001 – 10,000	223	35.34	1,147,599	0.73
10,001 – 1,000,000	214	33.91	13,875,296	8.83
1,000,001 & ABOVE	3	0.48	142,006,801	90.33
	631	100.00	157,200,000	100.00

SHAREHOLDING STATISTICS

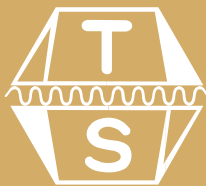
As at 11 March 2026

SHAREHOLDING HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 11 March 2026, 11.14% of the issued ordinary shares of the Company is held by the public. Rule 723 of the Listing Manual issued by the SGX-ST is therefore complied with.

MAJOR SHAREHOLDERS LIST – TOP 20 AS AT 11 MARCH 2026

NO.	NAME	NO. OF SHARES HELD	%
1	PSC CORPORATION LTD	100,529,000	63.95
2	GOI SENG HUI	39,159,501	24.91
3	DBS NOMINEES PTE LTD	2,318,300	1.47
4	FSK INVESTMENT HOLDING PTE. LTD.	800,400	0.51
5	ABN AMRO CLEARING BANK N.V.	764,700	0.49
6	PHILLIP SECURITIES PTE LTD	713,096	0.45
7	RAFFLES NOMINEES (PTE) LIMITED	631,800	0.40
8	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	593,400	0.38
9	UNITED OVERSEAS BANK NOMINEES PTE LTD	563,700	0.36
10	GOH MIA CHER	369,000	0.23
11	LIM GUAN CHEW	359,900	0.23
12	WU TIAK PONG	300,000	0.19
13	NG KANG WEI EUGENE	267,600	0.17
14	CITIBANK NOMINEES SINGAPORE PTE LTD	235,900	0.15
15	TIGER BROKERS (SINGAPORE) PTE. LTD.	215,700	0.14
16	YONG WOON CHONG	215,000	0.14
17	PAUL KHOO GHEE LENG	190,000	0.12
18	CHIONH HOCK HIM OR PHUA YANG LEE	170,000	0.11
19	OCBC NOMINEES SINGAPORE PTE LTD	144,900	0.09
20	CHAN SIEW MOON ANN	144,600	0.09
		<hr/>	
		148,686,497	94.58



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