



2024
ANNUAL
REPORT

ADVANCED SYSTEMS AUTOMATION LIMITED





Annual Report 2024

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

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



BUILDING THE PATHWAYS FOR SUCCESS

ADVANCED SYSTEMS AUTOMATION LIMITED



Advanced Systems Automation Limited (“**ASA**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) entered the semiconductor industry in 1986. Its core business was in the manufacturing of automated equipment for the encapsulation in semiconductors. Today, ASA’s encapsulation equipment continues to be used by semiconductor assembly processes around the world.

In 1997, ASA embarked on developing the world’s first total backend in-line equipment solution. Thereafter, in 2000, through further developmental efforts, ASA successfully launched the Solder Ball placement and the Saw Singulation and Sort machines. These machines were designed for the Ball Grid Array packages, which were then experiencing rapid growth. In 2003, a high speed Flip Chip bonder was introduced to the market, and this design won the “Advanced Packaging Award” that year.

Over time, Equipment Contract Manufacturing Services (“**ECMS**”) becomes the core business segment of the Group, with a focus on the manufacturing of electromechanical components and parts for the semiconductor and consumer electronics industries. In 2013, the Group expanded its competency and skill set in this business segment through the acquisition of Emerald Precision Engineering Sdn. Bhd., followed by Pioneer Venture Pte Ltd, Yumei REIT Sdn. Bhd. and Yumei Technologies Sdn, Bhd. in 2018. This stable of companies brought with them new skill sets in die-casting and plastic injection moulding, enabling the Group to offer a wide spectrum of comprehensive value propositions to a broader customer base and an expanded regional reach.




Subsequently in January 2021, the Group exited the manufacturing of automated backend equipment business for the semiconductor assembly process following the disposal of Microfits Pte Ltd.

In 2024, the Group embarked on diversification of its business and made significant strides in transforming the Group into a fully integrated aquaculture supply chain player, following the acquisition of LSO Organization Holdings Pte. Ltd. ("**LSO**") in August 2024. This strategic move, backed by our new management team's expertise, strengthens our foothold in hatcheries, aquatech farming, farm asset development, seafood processing and global distribution. By integrating these capabilities, we are positioning ourselves as a keen player in the fast-growing aquaculture industry, addressing rising global demand for sustainable seafood.

In early 2024, our 50%-owned subsidiary, Lim Shrimp Organization Limited ("**LSO BVI**"), under LSO had secured two operational management agreements in Malaysia and Palau. These partnerships, amidst facing some delays, are already in motion and are expected to contribute meaningfully to our revenue streams in the near future barring unforeseen circumstances. A key milestone in our innovation roadmap for the aquaculture industry is LSO BVI's collaboration with Hewlett Packard Enterprise to co-develop, demonstrate and test a proof of concept for a shrimp farming intelligence centre. This initiative underscores our commitment to integrating AI-driven decision intelligence into aquaculture, enhancing productivity, efficiency, and sustainability across the industry.

With aquaculture prospects being strong, the industry is projected to grow significantly to meet rising global seafood demand and protein needs, especially as wild fisheries are limited. Our future prospects depend on sustainable development through technological innovation, such as using big data and AI for precision farming, developing sustainable feeds, and improving biosecurity and disease management.

For more information, please visit our website at www.asa.com.sg.



A sluggish global economy had been a topic of conversation throughout 2024, with monetary policy being a significant concern within the business community, and beyond, as several major economies cut interest rates. Economists were also wary of geopolitical volatility and technological disruptions posing challenges for businesses and policy-makers.

The semiconductor industry, characterized by its cyclical nature, is profoundly influenced by global economic trends. In 2024, the industry grappled with issues arising from the global economic environment marked by a recent period of higher interest rates and inflation and ongoing trade and tariff tensions between countries, which had led to uncertain demand in many end markets.

Against this backdrop, ASA surpassed industrial norms and increased our revenue by 32.2% in the financial year ended 31 December 2024 ("FY2024"), as compared to the previous corresponding financial year ended 31 December 2023 ("FY2023"). However, our general and administrative costs, as well as finance costs, had also increased in FY2024, resulting in our operations turning in a net loss of S\$7.39 million. For our business to be sustainable, our management is constantly reassessing their strategies to explore growth against the backdrop of rapid technological change as we enter the Intelligent Age.

With geopolitical tensions and food security concerns continuing to shape global markets, we expect that our strategic pivot to aquaculture—with the acquisition of LSO Organisation Holdings Pte Ltd completed on 2 August 2024—will position us for long-term, sustainable growth.

Operations Review

INCOME STATEMENT

The Group recorded total revenue of S\$17.09 million for FY2024, an increase of 32.2% as compared to FY2023 due to higher sales demand from the Group's customers in the Equipment Contract Manufacturing Services ("ECMS") business segment.

Gross profit margin ("GPM") of the Group in FY2024 was 27.4%, which was 3.7% lower as compared to the GPM of 31.1% in FY2023. This was due mainly to changes in the sales mix.

Selling and marketing costs in FY2024 declined by S\$0.25 million or 34.8% from S\$0.73 million in FY2023 to S\$0.48 million in FY2024. This was mainly due to lower sales promotion expenses incurred in FY2024.

General and administrative ("G&A") costs in FY2024 were higher by S\$4.4 million or 102.6% compared to the costs incurred in FY2023 mainly due to an increase in professional and legal fees incurred by the Company in relation to the acquisition of LSO Organization Holdings Pte Ltd.

Finance costs (net) incurred in FY2024 were S\$0.16 million or 20.0% higher than in FY2023, mainly due to interest rates and the conversion of the outstanding amounts due to related parties into new interest-bearing loans in FY2023.

Other expenses (net) incurred in FY2024 were lower by S\$0.28 million or 13.9%, as compared to FY2023 mainly due to the absence of impairment losses in FY2024; albeit offset by loss allowance from our aquaculture business. In addition, the Group recorded a foreign exchange loss of S\$120,000 and S\$506,000 in FY2024 and FY2023 respectively, due to the fluctuation of Malaysia Ringgit against Singapore Dollars.

As a result of the above, the Group reported a net loss attributable to owners of the Company from continuing operations of S\$7.39 million in FY2024, as compared to a net loss of S\$4.02 million in FY2023.

BALANCE SHEET

Property, plant and equipment increased by S\$0.15 million from S\$6.35 million as at 31 December 2023 to S\$6.50 million as at 31 December 2024, mainly due to foreign currency movements.

Intangible assets of S\$19.41 million was recorded as at 31 December 2024, as compared to a nil figure as at 31 December 2023. The intangible assets comprised of goodwill arising from the acquisition of LSO Organization Holdings Pte. Ltd.

Right-of-use assets increased by S\$0.35 million in FY2024 from S\$0.50 million as at 31 December 2023 to S\$0.85 million as at 31 December 2024 due to renewal of leases.

Inventories decreased by S\$0.27 million or 33.5% from S\$0.81 million in FY2023 to S\$0.54 million in FY2024, due to lower orders from one of the Group's subsidiaries.

Trade and other receivables declined by \$0.46 million or 10.5%, from S\$4.39 million at 31 December 2023 to S\$3.93 million at 31 December 2024, mainly attributed to improved collection from customers despite the higher revenue.

Prepayments and advances decreased by S\$0.18 million from S\$0.26 million as at 31 December 2023 to S\$0.08 million as at 31 December 2024. This was mainly due to tighter working capital management across all subsidiaries.

Trade and other current payables increased from S\$5.17 million as at 31 December 2023 to S\$20.61 million as at 31 December 2024, mainly due to the reclassification of an external party's loans amounting to S\$8.57 million from non-current liabilities to current liabilities. Trade and other payables also increased in part due to S\$4.60 million of deferred consideration payable to the vendors of Lim Shrimp Organization Holdings Pte. Ltd.

Other liabilities also increased by S\$0.21 million or 11.5% from S\$1.80 million as at 31 December 2023 to S\$2.01 million as at 31 December 2024 due mainly to repayment of accruals and other liabilities.

Convertible notes decreased by S\$0.29 million from S\$2.59 million as at 31 December 2023 to S\$2.30 million as at 31 December 2024, due to change in fair value of the convertible notes.

As at 31 December 2024, the Group reported net current liabilities of S\$17.13 million and net assets of S\$6.48 million. Notwithstanding the net current liabilities position of the Group as at 31 December 2024, the Board of Directors of the Company is of the opinion that the use of the going concern assumption in the preparation of the financial statements for FY2024 remains appropriate considering the assumptions as set out under the Independent Auditor's Report and Note 2.1 to the Financial Statements of this annual report.

CASHFLOW

Net cash flows generated from operating activities amounted to an outflow of S\$1.70 million, in FY2024, a reversal of from a net inflow of S\$0.25 million in FY2023, mainly due to higher operating losses. Loss before tax widened from S\$3.68m in FY2023 to S\$7.05m in FY2024.

Net cash flows used in investing activities amounted to S\$0.90 million in FY2024, down from S\$2.59 million in FY2023 due mainly from the purchase of property, plant and equipment in FY2024 and the elimination of a S\$2.00 million bridging loan to LSO Organization Holdings Pte. Ltd. upon acquisition.

Net cash flows generated from financing activities amounted to S\$3.28 million in FY2024, an increase of S\$1.31 million from FY2023, due to net proceeds from rights issue of S\$2.11 million and S\$2.00 million from the issue of convertible notes, offset by S\$0.83 million of repayment of lease liabilities and borrowings.

OUTLOOK

Post acquisition, the performance of LSO Organization Holdings Pte. Ltd. has been poorer than expected. Going forward, we plan to enhance documentation, control and reporting procedures across the Group, particularly on LSO Organization Holdings Pte. Ltd. and its subsidiaries, to achieve timely financial reporting and more effective management of the Group's subsidiaries. At the same time, we will continue to explore and implement measures to reduce costs and improve business resilience. One of our subsidiaries Emerald Precision Engineering Sdn. Bhd. continues to perform favourably, servicing some of the world's leading semiconductor equipment manufacturers and other high profile clients. We see value to be unlocked from our Group, subject to capital market conditions and execution risk. Finally, we will continue to explore ways to raise funds and restructure our liabilities to improve our balance sheet.

In Appreciation

On behalf of the entire Board of Directors, I would like to thank our employees for their continued hard work and dedication at a time of change and our clients for their loyalty and confidence during the year. Finally, I thank you, our shareholders, for your trust, support, and investment in ASA.

LING CHUNG YEE

Chairman

Corporate Information

BOARD OF DIRECTORS

Executive:

Ng Foong Han
Executive Director

Non-Executive:

Ling Chung Yee
Independent and Non-Executive Chairman

Chng Hee Kok
Independent and Non-Executive Director

Hong Seong Soo
Independent and Non-Executive Director

Lim Chen Chong
Non-Independent and Non-Executive Director

Kenneth Sng Min Hua
Non-Independent and Non-Executive Director

AUDIT COMMITTEE

Chng Hee Kok
Chairman

Ling Chung Yee
Lim Chen Chong

NOMINATING COMMITTEE

Ling Chung Yee
Chairman

Chng Hee Kok
Lim Chen Chong

REMUNERATION COMMITTEE

Chng Hee Kok
Chairman

Ling Chung Yee
Lim Chen Chong

COMPANY SECRETARY

Ng Li-Yong

REGISTERED OFFICE

16 Kallang Place, #03-01/02
Singapore 339156
Tel: (65) 6291 2344

SPONSOR

ZICO Capital Pte. Ltd.
77 Robinson Road, #06-03
Singapore 068896
Tel: (65) 6636 4201

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632
Tel: (65) 6536 5355
Fax: (65) 6536 1360

INDEPENDENT AUDITOR

CLA Global TS Public Accounting Corporation
80 Robinson Road, #25-00
Singapore 068898
Tel: (65) 6534 5700

Director-in-charge:
Hock Xiu Min, Sandy
(with effect from the financial year ended 31 December 2024)

PRINCIPAL BANKERS

Malayan Banking Berhad
DBS

| Directors' Profiles

MS NG FOONG HAN FCIArb, FSIArb
Executive Director

EMBA, Quantic School of Business and Technology (class of 2026)
GCIA, National University of Singapore
LLB(HONS), University of London (External)
GC Intl Studies, University of Sydney
BA (Professional Communications), RMIT University

Ms Ng Foong Han (“**Ms Ng**”) is an experienced communications specialist and is a certified international arbitrator and accredited mediator. With a legal background, her professional experience spans compliance, journalism, marketing and business development across diverse industries, including publishing, e-commerce, digital and out-of-home media, F&B, luxury goods, travel, vending solutions and blockchain/cryptocurrency/fintech. This breadth of expertise equips Ms Ng with a well-rounded perspective on governance, strategic planning, negotiation and stakeholder management—capabilities that align strongly with the Company's current priorities. Ms Ng has served as the Company's Corporate Secretarial Manager, overseeing governance, regulatory compliance and Board support. During a period of management transition, she played a pivotal role in stabilising operations and ensuring full adherence to statutory and SGX requirements.

Please refer to the Corporate Governance Report for more information.

PROFESSOR LING CHUNG YEE
Independent and Non-Executive Chairman
Nominating Committee Chairman

Executive MBA, INSEAD
BBA (Hons), NUS

Professor Ling Chung Yee (“**Prof Ling**”) is a distinguished board chairman and global independent director with deep expertise in ESG & Sustainability Governance, Asian Real Estate, and Corporate Finance. Concurrently, he also serves as the CEO & Founder of FollowTrade, and an Adjunct Instructor with NUS, SMU and SUSS.

With over 20 years of investment banking experience at JPMorgan, Lehman Brothers, Goldman Sachs, and Salomon Smith Barney, Prof Ling has led some of the most prominent advisory and capital market transactions in Asia. He brings over 18 years of corporate governance experience, serving as a Board Chair & Independent Director on many public-listed and non-profit organizations. Recognized for his industry leadership, Prof. Ling was honoured as “Real Estate Executive of the Year” by *Singapore Business Review*, and recognized as one of the “Top 20 Rising Stars in Real Estate” by *Institutional Investor*.

Current Directorships in Listed Companies:
Memiontec Holdings Ltd
Combine Will International Holdings Ltd
VinFast Auto Ltd
United Food Holdings Ltd

Directorships in Listed Companies in the Past 3 Years:
Amplefield Ltd
Ley Choon Group Holdings Ltd

MR CHNG HEE KOK
Independent and Non-Executive Director
Audit Committee Chairman
Remuneration Committee Chairman

MBA, National University of Singapore
BEng (Honours), University of Singapore

Mr Chng Hee Kok (“**Mr Chng**”) had served as the Chief Executive Officer of Scotts Holdings Limited, Yeo Hiap Seng Limited, Hartawan Holdings Ltd., HG Metals Manufacturing Ltd. and LH Group Ltd, and Interim Chief Executive Officer of Chemical Industries (Far East) Ltd.

He was a Member of Parliament of Singapore from 1984 to 2001 and served on the boards of Sentosa Development Corporation and Singapore Institute of Directors. Currently he sits on the boards of a number of listed companies which include The Place Holdings Ltd, United Food Holdings Ltd, Full Apex (Holdings) Ltd, Debao Property Development Ltd and Matex International Ltd. Mr Chng was awarded a Merit Scholarship by the Singapore Government and graduated with Bachelor of Engineering with First Class Honours.

Please refer to the Corporate Governance Report for more information.

MR HONG SEONG SOO

Independent and Non-Executive Director

BBA, Korea University

Mr Hong Seng Soo (“**Mr Hong**”) is currently the CEO of Woosam Korea Co Ltd, and is an experienced specialist in FMCG, media IP, and digital technology platforms, and has over 25 years of cross-border commercialization and brand growth leadership experience across Asia.

His expertise lies in strategic brand localization, digital platform deployment, media IP monetization, and omnichannel expansion, combining consumer goods execution discipline with tech-enabled content and licensing strategy. Mr Hong has led multiple high-impact initiatives in the FMCG and digital media space, ranging from Colgate’s omnichannel commercialization in Korea to media content IP enforcement and digital licensing operations across ASEAN markets.

Please refer to the Corporate Governance Report for more information.

MR LIM CHEN CHONG

Non-Independent and Non-Executive Director

BBA, University of Miami, Florida, USA

Accreditation by Australian Institute of Management

Mr Lim Chen Chong (“**Mr Lim**”) has 37 years of experience in banking, finance, property development, food & beverage, aquaculture, fund management, township planning, social enterprise NGO projects, hotel management, manufacturing, coal mining, IoT technologies, power plant operations, logistics and transportation operations, pharmaceutical operations, retail management and construction management in Singapore, Indonesia, Thailand, Malaysia, China, Taiwan, the Philippines, Papua New Guinea, Timor Leste, Puerto Rico, Oman, Palau, and Saudi Arabia.

He also served as the Shrimp Value-Chain Specialist at the Asian Development Bank between 2000 to 2022, and remains as an active ADB Professional Consultant. Mr Lim is also the Co-Founder and Ex-President of Institute of Aquaculture Singapore. Over the last 37 years, he has also served as an advisor to many Presidents, Prime Ministers, Ministers, and Ambassador of Papua New Guinea, Malaysia, Indonesia, the Philippines, China, and Oman.

Please refer to the Corporate Governance Report for more information.

MR KENNETH SNG MIN HUA

Non-Independent and Non-Executive Director

Accredited Certified Career Practitioner (CCP)

Mr Kenneth Sng Min Hua (“**Mr Sng**”) served as the former Executive Director and COO of Advanced Systems Automation Limited. He was also the CEO of Lim Shrimp Organization Limited. He has worked in several industries in Singapore, Hong Kong and China.

Please refer to the Corporate Governance Report for more information.

APPENDIX 1

ADVANCED SYSTEMS AUTOMATION LIMITED | ANNUAL REPORT 2024

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

The board of directors (the “**Board**” or “**Directors**”) of Advanced Systems Automation Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) is committed to maintaining a high standard of corporate governance in complying with the Singapore Code of Corporate Governance 2018 (the “**Code**”) which forms part of the continuing obligations of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). For the financial year ended 31 December 2024 (“**FY2024**”), the Company had complied with all principles set out in the Code. In areas where the Company deviates from the provisions of the Code, appropriate explanations have been provided in the relevant sections. The Board views the adherence of such corporate governance practices as key to discharging its duties to protect and enhance shareholder value and the financial performance of the Group.

This Corporate Governance Report (“**Report**”) describes the corporate governance practices of the Group that were in place throughout FY2024 with reference to the principles and provisions set out in the Code.

BOARD MATTERS

Principle 1: The Board’s Conduct of Affairs

The Company has an effective board that is able to lead and control the Company. The Board is collectively responsible for the long-term success of the Company and is accountable to the shareholders while the management of the Company (the “**Management**”) is accountable to the Board.

The main role and responsibility of the Board is to oversee the business affairs of the Company and to set broad policies, strategies and goals for the Company and the Group. The Board is involved in the approval of annual budgets and the management’s recommendations, including, those related to investments and divestments. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company. The Board is accountable to the shareholders of the Company (the “**Shareholders**”).

The Board endeavours to provide Shareholders with balanced and understandable assessments of the Group’s performance and position on a regular basis through the release of half yearly and full year results announcements and updates, where applicable.

In addition, the principal functions of the Board are to:

- set values and standards (including ethical standards) of the Company and ensure that obligations to shareholders are understood;
- provide entrepreneurial leadership, set and approve the strategic and financial objectives of the Group, and to ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
- oversee the processes for risk management, financial reporting and compliance and evaluate the adequacy of internal controls, and review recommendations made by and achieve concurrence with the Audit Committee (the “**AC**”);
- review the performance of Management, approve the nominations to the Board of Directors and the appointments of key personnel, as may be recommended by the Nominating Committee (the “**NC**”);
- identify the key stakeholder groups and recognising that their perceptions affect the Group’s reputation;
- approve annual budgets, major funding proposals, investment and divestment proposals of the Company;
- appoint the Group Chief Executive Officer and review and endorse the framework of remuneration for the Board and key executives as may be recommended by the Remuneration Committee (the “**RC**”);
- consider sustainability issues, e.g., environmental and social factors, as part of the strategic formulation; and
- assume responsibility for the corporate governance framework of the Company.

The Group has adopted and documented internal guidelines setting forth matters that require Board approval. The non-exhaustive list of material transactions, that require the Board’s approval under such guidelines are listed below:

- strategies and objectives of the Group;
- announcement of quarterly and full year results and release of annual reports;
- issuance of shares;
- declaration of interim dividends and proposal of final dividends;
- convening of shareholders’ meetings;

CORPORATE GOVERNANCE REPORT

- investment and divestments;
- commitments to terms loans and lines of credits from banks and financial institutions;
- interested person transactions (including, *inter alia*, conflict of interest issues relating to substantial shareholders of the Company and/or Directors);
- approval of corporate strategies;
- corporate or financial restructuring; and
- authorisation or approval of merger and acquisition transactions.

Apart from the matters that specifically require the Board's approval, the Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to Management so as to optimise operational efficiency.

All Directors exercise due diligence and independent judgement, and make decisions objectively in the best interests of the Group. Directors facing conflicts of interest will also recuse themselves from discussions and decisions involving the issues of conflict.

The Board has delegated certain functions to various board committees, namely the AC, NC and RC. Each of the various board committees has its own written terms of reference and whose actions are reported to and monitored by the Board. The Board acknowledges that while these various board committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

Whenever a new Director is appointed on the Board, the Company will provide a formal letter to the Director, setting out, amongst other things, the Director's duties, and obligations. The Company also conducts an orientation programme for all newly appointed Directors to provide them with the information necessary or desirable for them to gain a better understanding of the Group's businesses and governance practices. Where appropriate, new Directors may also undergo in-house sessions to familiarise themselves with their duties as Directors and their responsibilities under the relevant laws and regulations. Pursuant to Rule 406(3)(a) of the Catalist Rules, the Company will arrange for training courses for new Directors who do not have prior experience as a director of a public listed company in Singapore. These courses are generally organised by the Singapore Institute of Directors on the roles and responsibilities of a director of a listed company, or other training institutions in areas such as management, accounting, legal and industry-specific knowledge, where appropriate, in connection with their duties. During FY2024 and up to the date of this report, Mr. Lim Chen Chong, Mr. Chng Hee Kok, Prof. Ling Chung Yee, Mr. Kenneth Sng Min Hua, Mr. Hong Seong Soo and Ms. Ng Foong Han were appointed as Directors of the Company. Mr. Chng Hee Kok and Prof. Ling Chung Yee have prior experience as directors of publicly listed companies in Singapore. Mr. Lim Chen Chong, who was appointed as a Director of the Company on 26 August 2024 and has no prior experience as a director of publicly listed companies in Singapore, has not attended and completed the requisite seminars and training programmes as required under the Catalist Rules, which includes the mandatory training on Environmental, Social and Governance ("ESG") (the "**Requisite Training**"), as at the date of this report due to scheduling constraints. Mr. Lim Chen Chong has confirmed his commitment to complete his Requisite Training as soon as practicable, and plans to register for the latest available courses on the Requisite Training conducted by the Singapore Institute of Directors to be held in or before June 2026. The Company will arrange for Mr. Kenneth Sng Min Hua, Mr. Hong Seong Soo, and Ms. Ng Foong Han to attend and complete the Requisite Training within one year from their respective date of appointment to the Company.

On an on-going basis, the Company will provide further information and updates on the Group and its business to the Board members, including any changes in legislation or regulations that may impact the Company's conduct of its business or affect the Directors in discharging their duties to the Company. Additional training will be arranged and funded, as and when necessary, for the Directors. The NC reviews and makes recommendations on the training and professional development programs to the Board.

The Board oversees the management of the business affairs and operations of the Group and establishes from time to time, strategies and financial initiatives implemented by Management. In order to fulfil their responsibilities, the Directors were provided with complete, adequate and timely information prior to board meetings and on an on-going basis. Such information includes background or explanatory information relating to matters brought before the Board. They are also given detailed management information including specific divisional performance, variance analysis, budgets, forecasts, funding position and business updates of the Company prior to each Board meeting. The Board also duly monitors Management's performance and has separate and independent access to Management.

To allow Directors sufficient time to prepare for the meetings, all Board and Board Committee papers are distributed to Directors in advance of the meetings. Any additional material or information requested by the Directors is promptly furnished. Employees who can provide additional insight into matters to be discussed will be present at the relevant time during the Board and Board Committee meetings.

To facilitate direct access to the senior management, Directors are also provided with the names and contact details of the Management. In carrying out their obligations as Directors of the Company, access to Management, the Company Secretary and independent professional advice (if necessary) is available to all Directors, either individually or as a group, at the expense of the Company.

CORPORATE GOVERNANCE REPORT

The Executive Director updates the Board during the quarterly Board meetings on the Group's strategies and business environment to keep the members of the Board abreast of the Group businesses and activities.

The appointment and removal of the Company Secretary, as well as any change thereof, is a matter for the Board's decision. The Directors have separate and independent access to the Company Secretary. Duties of the Company Secretary include ensuring that Board procedures are followed and compliance with applicable rules and regulations including the Companies Act 1967 of Singapore ("**Companies Act**") and the Catalist Rules. The Company Secretary, under the direction of the Executive Director, also ensures good information flows within the Board and its Committees and between senior management and non-executive. The Company Secretary is also invited to attend all Board meetings.

Attendance at Board and Committee Meetings

The Board meets at least four (4) times each year and as and when warranted by particular circumstances, as deemed appropriate by the Board. The Company's Constitution provides for teleconference and videoconference meetings. As a general rule, materials for Board meetings are sent to the Directors in advance for the Directors to be adequately prepared for the meetings.

The frequency of the meetings of the Board and its various Committees and the attendance by the Directors for FY2024 are set out as follows below:

	Board Meeting	Audit Committee	Nominating Committee	Remuneration Committee
Number of Meetings	4	5	3	2
Directors				
Dato' Sri Mohd. Sopiyan B. Mohd. Rashdi	4	5*	3*	2*
Mr. Steven Shen Hing	4	5	3	2
Mr. Seah Chong Hoe	4	5*	3*	2*
Mr. Chong Man Sui	4	5	3	2
Mr. Lim Chen Chong (appointed on 26 August 2024)	1	1	2	1
Prof. Ling Chung Yee (appointed on 24 September 2024)	1	1	1	1
Mr. Chng Hee Kok (appointed on 24 September 2024)	1	1	1	1

* By invitation

The Directors are required to declare their board representations. Any Directors with multiple board representations are asked to ensure that sufficient time and attention are given to the affairs of each company.

Principle 2: Board Composition and Guidance

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.

The Company has an effective Board that is able to lead, steer, and control the Company. The Board presently comprises six (6) Directors, three (3) of whom are Independent Directors and two (2) of whom are Non-Executive and Non-Independent Directors. The Board is therefore independent whereby half of the Board (including Chairman of the Board) comprises Independent Directors and no individual or group of individuals is able to dominate the Board's decision-making process. During FY2024 and as of the date of this report, the respective compositions of the Board and the Board Committees are as follows:

Directors	Board Membership	Board Committee Membership		
		Audit Committee	Nominating Committee	Remuneration Committee
Prof. Ling Chung Yee	Non-Executive Chairman and Lead Independent Director	Member	Chairman	Member

CORPORATE GOVERNANCE REPORT

Directors	Board Membership	Board Committee Membership		
		Audit Committee	Nominating Committee	Remuneration Committee
Mr. Chng Hee Kok	Independent Director	Chairman	Member	Chairman
Mr. Lim Chen Chong	Non-Executive and Non-Independent Director	Member	Member	Member
Mr. Kenneth Sng Min Hua	Non-Executive and Non-Independent Director	-	-	-
Mr. Hong Seong Soo	Independent Director	-	-	-
Ms. Ng Foong Han	Executive Director	-	-	-
Mr. Seah Chong Hoe (resigned with effect from 19 June 2025)	Executive Chairman and Chief Executive Officer	-	-	-
Dato' Sri Mohd. Sopiyan B. Mohd. Rashdi (resigned with effect from 19 June 2025)	Non-Executive and Non-Independent Director	-	-	-
Mr. Steven Shen Hing (resigned with effect from 25 May 2025)	Independent Director	Member	Member	Chairman
Mr. Chong Man Sui (resigned with effect from 10 June 2025)	Independent Director	Member	Member	Member

The NC is also responsible for determining the independence of Directors annually and as and when the circumstances require, based on the definition of “independent directors” set out in the Code and any other salient factors which would render a Director to be deemed not independent. In their review, the NC will also determine if a Director has any relationship(s) with the Group, its related corporations, its officers or any shareholder holding 5% or more of the Company's shares, that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement in the best interests of the Group. For the purpose of determining Directors' independence, every Director will provide declaration of his independence which is deliberated upon by the NC and the Board.

Collectively, the Directors provide an appropriate balance and diversity of thought, background, skills, experience and knowledge of the Group, as well as core competencies in accounting and finance, business and management expertise, industry knowledge, strategic planning experience and customer-related knowledge to make decisions in the best interests of the Company. The profiles of each of the Directors are set out in the “Board of Directors” section of this Annual Report.

The Board examines the size and composition of the Board and board committees on an annual basis, to maintain or enhance balance and diversity within the Board. In reviewing composition of the Board and board committees and succession planning, the Board diversity policy considers the benefits of all aspects of diversity, including diversity of background, experience, gender, age and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately. In addition, the Board, in deciding the composition of the Board and board committees, takes into account various considerations, including skills, knowledge, experience, and other aspects of diversity. This enables the Board to maintain or enhance balance and diversity within the Board. It takes great pride in the composition of its Board, who as a group, provide an appropriate balance and diversity of the above factors for the Group, as well as core competencies including that of accounting, finance, business development, management, relevant industry knowledge, strategic planning, and customer-based experience and knowledge. With an appropriate level of diversity of thought and background, the Board is well placed to lead, provide entrepreneurial and strategic leadership, ensure that the necessary financial and human resources are in place for the Group to meet its objectives and make decisions in the best interests of the Company. Accordingly, the Board is of the view that its current practices are consistent with the aim of Principle 2 of the Code.

In February 2021, the Board has approved a diversity policy that codified the principles that the NC, Board and the Company were using annually to assess the existing attributes and core competencies of the Board are complementary and contributes to the efficacy of the Board. In summary, the following objective criteria are used to assess the diversity of the board:

- Skills sets, knowledge and experience;
- Mix of industries;
- Gender;
- Age and temperament;
- Ethnicity and culture; and

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- Geography.

The NC will continue to assess its board diversity policy periodically or as appropriate, to ensure its effectiveness and will recommend appropriate amendments to the Board for its consideration and approval.

The Board appointed one female Director, Ms. Ng Foong Han, to the Board on 15 October 2025, and the NC continues to ensure that female candidates are included for consideration by the NC whenever it seeks to identify a new Director for the Board. Having said that, the Group is of the view that gender is, but one aspect of diversity and new Directors will continue to be selected on the basis of their experience, skills, knowledge, insight and relevance to the Board.

The Independent Directors are encouraged to constructively challenge and help to develop business proposals tabled by Management. They also monitor and review the reporting of the performance of Management in achieving the agreed goals and objectives of the Group. To facilitate a more effective check and balance on Management, the Independent Directors meet regularly without the presence of Management. The Independent Directors led by the Independent Chairman and the Chairman of such meetings will provide feedback to the Board as appropriate.

Taking into account the nature and scope of the Company's operations, and the requirements of its near-term business plans, the Board is of the view that its current size and composition are appropriate and believes that it provides sufficient diversity without affecting the effectiveness and efficiency of decision-making.

Principle 3: Chairman and Chief Executive Officer ("CEO")

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.

During FY2024, Mr. Seah Chong Hoe was appointed as the Chairman of the Board on 14 November 2024, following the re-designation of Dato Sri Mohd. Sopiyan Bin Mohd. Rashdi as a Non-Independent and Non-Executive Director. Following the appointment, Mr. Seah Chong Hoe served as both the Chairman of the Board and the CEO of the Company. The Chairman of the Board assumes responsibility for the smooth functioning of the Board and ensures timely flow of information between the Management and the Board; sets agenda and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues; promotes a culture of openness and debate at the Board and promotes high standards of corporate governance. Day-to-day operations of the Group are entrusted to the CEO. The CEO provides input on broad strategic directions for the Company and bears responsibility for the workings of the Board ensuring its effectiveness in all aspects of his role.

Recognising that the Chairman of the Board was an Executive Director and CEO and thus not independent, the Board appointed Prof. Ling Chung Yee as the Lead Independent Director of the Company with effect from 14 November 2024. As the Lead Independent Director, Prof. Ling Chung Yee is available to Shareholders and stakeholders should they have concerns with regards to the Group which cannot be resolved or are inappropriate or inadequate to raise through the normal communication channels with the Executive Chairman and CEO or the Management.

The Board is of the view that there were sufficient independent elements and safeguards in place during FY2024. In particular, the Board comprised four (4) Non-Executive and Independent Directors out of a total of seven (7) Directors, Prof. Ling Chung Yee served as the Lead Independent Director and provided leadership in situations where the Chairman was conflicted, and the AC, NC and RC were fully constituted by Non-Executive and Independent Directors. Accordingly, the Board believes that there were adequate checks and balances to mitigate any undue concentration of power in a single individual.

In June 2025, pursuant to Regulation 82(A) of the Company's Constitution, the Board re-designated Prof. Ling Chung Yee as the Chairman of the Board in place of Mr. Seah Chong Hoe, until such time that Prof. Ling Chung Yee's appointment is revoked by the Directors. In the same month, Mr. Seah Chong Hoe also ceased to be an Executive Director and CEO of the Company. As of the date of this report, the Company does not have a CEO.

Principle 4: Board Membership

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

The nature of the Directors' appointments on the Board and details of their membership on the Board Committees as at the date of this report are set out in Principle 2 of this Report above.

Composition of the NC

During FY2024, the NC comprised entirely of Non-Executive Directors, all of whom were independent. The Committee was chaired by Prof. Ling Chung Yee, who is independent and well-placed to lead the NC in discharging its responsibilities under the Code. During 2025, there were changes to the composition of the NC. Mr. Steven Shen Hing resigned as an Independent Director on 25 May 2025, and accordingly ceased to be a member of the NC. Subsequently, Mr. Chong Man Sui resigned as an Independent Director on 10 June 2025 and ceased to serve on the NC as well. To ensure continuity in the functioning of the NC, the Board appointed Mr. Lim Chen Chong, a Non-Executive and Non-Independent Director, as a member of the NC with effect from 20 June

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2025. Following these changes, and as at the date of this report, the NC continues to comprise three (3) Directors, the majority of whom, including the NC Chairman, are independent, in compliance with Provision 4.2 of the Code.

During FY2024 and as at the date of this report, the NC comprised the following Directors:

Directors	Designation	NC Position
Prof. Ling Chung Yee	Non-Executive Chairman and Lead Independent Director	NC Chairman
Mr. Chng Hee Kok	Independent Director	NC Member
Mr. Lim Chen Chong (appointed as a member of the NC with effect from 20 June 2025)	Non-Executive and Non-Independent Director	NC Member
Mr. Steven Shen Hing (resigned with effect from 25 May 2025)	Independent Director	NC Member
Mr. Chong Man Sui (resigned with effect from 10 June 2025)	Independent Director	NC Member

Board Appointments

The NC makes recommendations to the Board on all Board appointments and re-appointments.

The key terms of reference of the NC include the following:

- review board succession plans for Directors, in particular, the appointment and/ or replacement of the Chairman, the CEO and the key management personnel;
- development of a process and criteria for evaluation of the performance of the Board, its Board Committees and Directors;
- review of training and professional development programs for the Board;
- appointment and re-appointment of Directors;
- evaluate and determine the independence of the Independent Directors; and
- evaluate whether a Director, with multiple board representations, is able to and has been adequately carrying out his duties as Director of the Company.

Process for Selection and Appointment of New Directors

When required, the search and nomination process for new Directors will be through search companies, contacts or recommendations that go through the normal selection process, to cast the net as wide as possible for the right candidate. In the selection and nomination for new Directors, the NC will aim to maintain an optimal Board composition by considering the trends affecting the Company, identifying gaps (which includes considering whether there is an appropriate level of diversity of thought) and identifying these skills and competencies required to enable the Board to fulfil its responsibilities. The NC will assess the suitability of the candidate based on his/her skills, knowledge and experience as well as to ensure he/she is aware of the expectations and the level of commitment required, before recommending the potential candidate to the Board for appointment as Director. Upon review and recommendation of the NC to the Board, new Directors will be appointed by way of passing a Board resolution. The Board and NC will also take into consideration whether a candidate had previously served on the board of a company with an adverse track record or with a history of irregularities or is or was under investigation by regulators, and seek clarity on the candidate's involvement therein. The Board and NC will also assess whether a candidate's resignation from the board of any such company casts any doubt on the candidate's qualification and ability to act as a Director of the Company. The Company's Constitution provides that a newly appointed Director during the financial year must retire and submit him/herself for re-appointment at the Annual General Meeting of the Company ("AGM") following his/her appointment. Thereafter, he/she is subject to re-appointment at least once every three (3) years. The NC also ensures that new Directors are aware of their duties and obligations.

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Retirement and Re-election of Directors

The NC is responsible for the re-appointment of Directors. In its deliberations on the re-election of existing directors, the NC takes into consideration the Director's contribution and performance (including his or her contribution and performance as an independent director, if applicable).

The assessment parameters include attendance record, preparedness, the intensity of participation and candour at meetings of the Board and Board Committees as well as the quality of intervention and special contribution.

All Directors are required to submit themselves for re-nomination and re-appointment at regular intervals of at least once every three (3) years. The Company's Constitution provides that at least one-third of the Directors (or, if their number is not a multiple of three (3), the number nearest to but not less than one third) shall retire from office by rotation and be subject to re-appointment at the Company's AGM. As part of the process for the selection, appointment and re-appointment of Directors, the NC will consider the composition and progressive renewal of the Board.

The dates of initial appointments and the last re-election of the Directors as at the date of this report are set out below:

Directors	Designation	Date of Initial Appointment	Date of Last Re-election
Prof. Ling Chung Yee	Non-Executive Chairman and Lead Independent Director	24 September 2024	-
Mr. Chng Hee Kok	Independent Director	24 September 2024	To be re-elected at the upcoming AGM
Mr. Lim Chen Chong	Non-Executive and Non-Independent Director	26 August 2024	To be re-elected at the upcoming AGM
Mr. Kenneth Sng Min Hua	Non-Executive and Non-Independent Director	12 June 2025	To be re-elected at the upcoming AGM
Mr. Hong Seong Soo	Independent Director	1 October 2025	To be re-elected at the upcoming AGM
Ms. Ng Foong Han	Executive Director	15 October 2025	To be re-elected at the upcoming AGM

Prof. Ling Chung Yee, who is subject to retirement and re-election at the upcoming AGM of the Company in accordance with the Company's Constitution, has indicated that he will not be seeking re-election and will retire at the conclusion of the upcoming AGM of the Company.

Confirmation of Independence of Directors

The NC is also responsible for determining the independence of Directors annually and as and when the circumstances require, bearing in mind the provisions set forth in the Code and any other salient factor which would render a director to be deemed not independent. Each NC member does not take part in determining his own renomination or independence. A director who has no relationship with the Group, its related corporations, officers or its shareholders with shareholdings of 5% or more in the voting shares of the Company that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Group, is considered to be independent. To determine directors' independence, every Independent Director has provided a declaration of their independence which is deliberated upon by the NC and the Board.

In its annual review for FY2024, the NC and the Board, having considered the provisions set out in the Code, have confirmed the independence of the following Directors:

Prof. Ling Chung Yee	Independent
Mr. Chng Hee Kok	Independent
Mr. Chong Man Sui	Independent
Mr. Steven Shen Hing	Independent

After taking into account the views of the NC, the Board is satisfied that each Independent Director is independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could affect the Independent Director's judgement. The Board is of the view that there is a good balance between the Executive and Non-Executive Directors, and a strong and independent element on the Board. During FY2024 and as at the date of this report, none of the Independent Directors has served on the Board for more than 9 years.

Directors' Time Commitment and Multiple Directorships

Although some of the Directors have multiple Board representations, the NC is satisfied that each Director is able to and has been adequately carrying out his duties as a Director of the Company.

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The NC has adopted internal guidelines addressing competing time commitments that are faced when Directors serve on multiple boards. The internal guideline provides that, as a general rule, each Director should hold no more than ten listed company board representations. The guideline includes the following:

- directors must consult the Chairman of the Board and the NC Chairman prior to accepting any new appointments as a director and other principal commitments; and
- in support of their candidature for directorship or re-appointment, directors are to provide the NC with details of the board appointment and other principal commitments and an indication of the time involved.

The NC determines annually whether a director with multiple board representations and/or other principal commitments is able to and has been adequately carrying out her duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. The Board and the NC also take into consideration whether a Director had previously served on the board of a company with an adverse track record or with a history of irregularities or is or was under investigation by regulators, and seek clarity on the Director's involvement therein. The Board and NC will also assess whether a Director's resignation from the board of any such company casts any doubt on the Director's qualification and ability to act as a Director of the Company. For FY2024, the directorships for each Director did not exceed the Company's guideline for maximum listed company board representations and the Board is of the view that the Directors have discharged their duties adequately.

There are currently no alternate directors on the Board.

Principle 5: Board Performance

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

In accordance with the terms of reference of the NC as approved by the Board, the NC has adopted objective performance criteria and process for evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board. This assessment process is carried out by NC annually.

All the Directors have made an assessment of the effectiveness of the Board as a whole. There is also a system of peer assessment of each Director by their fellow Directors at least once annually where each Director completes a peer evaluation form which is designed to seek their views on the various aspects of the performance of the Board performance so as to assess the contribution of each individual Director to the Board, the overall effectiveness of the Board and each of its board committees. These peer assessments are collated by the company secretary and consolidated responses were presented to the NC for review and are taken into account when the NC assesses and makes recommendations to the Board as to whether the retiring Directors are suitable for re-election/re-appointment.

During FY2024, the NC and the NC Chairman have taken into consideration, *inter alia*, each individual Director's attendance at meetings of the Board, Board committees and at general meetings; the level of participation in discussions at meetings; the individual Director's functional expertise and his/her commitment of time to the Company and contribution of each Director towards the Board's effectiveness and competencies when assessing the performance of the individual Directors. The NC, having reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole for the financial year reported on, and the peer assessment of each Director, and is of the view that the performance of the Board as a whole, of each Board Committee separately and the contribution of each Director to the effectiveness of the Board has been satisfactory.

There was no external consultant involved in the Board evaluation process in FY2024. Where relevant, the NC will consider such an engagement.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

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.

Remuneration Committee

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.

The NC has selected the members of the RC based on the Directors' combination of skills, knowledge, experience. In FY2024, the RC comprised four (4) members, Mr. Steven Shen Hing (RC Chairman), Mr. Chong Man Sui, Mr. Chng Hee Kok, and Prof. Ling Chung Yee, all of whom are Non-Executive and Independent Directors. Mr. Steven Shen Hing stepped down as RC Chairman

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following his resignation as a Director of the Company on 25 May 2025, and Mr. Chng Hee Kok assumed the position of RC Chairman with effect from 20 June 2025. As at the date of this report, the RC comprises Mr. Chng Hee Kok (RC Chairman), Prof. Ling Chung Yee and Mr. Lim Chen Chong.

There is a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors and key management personnel. No Director is involved in deciding his own remuneration and each member of the RC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the RC in respect of his remuneration package.

The RC's principal responsibilities are to:

- recommend to the Board base salary levels, benefits and incentive programs, and also to identify components of salary which can best be used to focus management staff on achieving corporate objectives;
- approve the structure of the compensation programme (including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits in kind) for Directors and senior management to ensure that the programme is competitive and sufficient to attract, retain, promote better performance and motivate senior management to run the Company successfully;
- review, on an annual basis, the specific compensation packages of the Company's Directors, the Executive Director, the Group CEO and the key management personnel; and
- review and submit to the Board proposals for the setting-up of share option schemes or long term incentive schemes.

The members of the RC carry out their duties in accordance with the terms of reference which include the following:

- review and recommend to the Board for endorsement, a general framework of remuneration for the Board and key management personnel. The framework covers all aspects of remuneration, including but not limited to director's fees, salaries, allowances, bonuses, the grant of shares and share options and benefits in kind;
- review and recommend to the Board, the specific remuneration packages for each Director as well as for the key management personnel;
- approve the structure of the compensation programme (including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits in kind) for Directors and senior management to ensure that the programme is competitive and sufficient to attract, retain and motivate senior management of the required quality to run the Company successfully;
- review, on an annual basis, the specific compensation packages of the Company's Directors and Group CEO;
- review the level and mix of remuneration and benefits, policies and practices of the Company, including the long-term incentive schemes on an annual basis. The performance of the Company and that of individual employees would be considered by the RC in undertaking such reviews;
- implement and administer the Company's share option plan (as applicable);
- review the Group's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous; and
- review the development of senior staff and assess their strengths and development needs based on the Group's leadership competencies framework, with the aim of building talent and maintaining strong and sound leadership for the Group.

The RC has the authority, if necessary, to seek independent experts' advice on the remuneration of all Directors, while ensuring that the existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. The RC did not appoint any remuneration consultants in FY2024.

There are appropriate and meaningful measures in place for the purpose of assessing the performances of the Executive Director and senior management staff.

Principle 7: Level and Mix of Remuneration

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.

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In setting remuneration packages, the RC considers the level and mix of remuneration to attract, retain and motivate the Executive Director and key management personnel's needed to run the Company successfully in the long-term, and to align their interests with those of shareholders, by linking rewards to corporate and individual performance and therefore promoting the long-term success of the Group. A significant and appropriate proportion of the Executive Director's remuneration should be structured so as to link rewards to corporate and individual performances.

In this regard, the RC:

- takes into account the pay and employment conditions within the same industry and in comparable companies, as well as the group's relative performance and the performance of individual Directors;
- considers whether Directors should be eligible for benefits under long-term incentive schemes (including weighing the use of share schemes against the other types of long-term incentive schemes); and
- reviews the terms, conditions and remuneration of the Executive Directors, and ensures that his total remuneration package has a significant portion of performance-related elements.

The Non-Executive Directors (including Independent Directors) have no service contracts with the Company and their terms are specified in the Company's Constitution. The Non-Executive Directors (including Independent Directors) are paid a basic fee and an additional fee for serving on any of the committees. The fee payment takes into account factors such as effort and time spent, and responsibilities undertaken and their respective contributions to the Company. The fees paid to the Non-Executive Directors (including Independent Directors) are also benchmarked against their fees paid by companies in the same industry and with similar scale of operation. The RC is of the view that the Company's Independent Directors are not over-compensated to the extent that their independence may be compromised. Such fees for the Non-Executive Directors (including Independent Directors) are recommended by the Board and subject to the approval of the Shareholders at the AGM.

The Executive Director does not have a fixed-term service contract with the Company, and his/her service contract does not contain onerous removal clauses. Notice periods in service contracts of key management personnel are typically set at a period of three (3) months or less. There are currently no incentive components (such as profit sharing schemes) in the service contracts with the Executive Director and key management personnel.

The remuneration policy for staff, including Executive Director(s) and key management personnel, adopted by the Company, where appropriate, comprises a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is determined at the discretion of the Company, taking into consideration the performances of the Group's businesses and respective employees. Performance-related remuneration is also aligned with the interests of shareholders and other stakeholders that promotes the long-term success of the Company.

The RC is of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Directors and key management executives except in exceptional circumstances of misstatement of financial statements, or of misconduct resulting in a financial loss to the Company. The RC will review such contractual provisions as and when necessary.

The RC has established a suitable remuneration framework to incentivise, compensate and reward the key management and executives. The remuneration framework ensures that 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.

The RC and the Board have collectively endorsed the Company's remuneration policy and are of the view that the remuneration is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.

Principle 8: Disclosure on Remuneration

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.

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Remuneration of Directors and Chief Executive Officer for FY2024

Directors	Remuneration S\$	Fees (%)	Fixed Salary (%)	Bonus & Management Incentive (%)	Share-Based Compensation (%)	Benefits & Allowance (%)	Total (%)
Prof. Ling Chung Yee	10,008*	100%	-	-	-	-	100%
Mr. Chng Hee Kok	10,414*	100%	-	-	-	-	100%
Mr. Lim Chen Chong	10,492*	100%	-	-	-	-	100%
Mr. Chong Man Sui	36,865*	100%	-	-	-	-	100%
Mr. Steven Shen Hing	37,000*	100%	-	-	-	-	100%
Mr. Seah Chong Hoe (CEO)	707,000	N.A.	97%	-	-	3%	100%
Dato' Sri Mohd. Sopiyan B. Mohd. Rashdi	45,153*	100%	-	-	-	-	100%

*Subject to the approval of shareholders at the upcoming AGM of the Company.

Remuneration of key management personnel for FY2024

Provision 8.1 sets out that the Company discloses the names, amounts and breakdown of remuneration of each individual director and the CEO, and for at least the top five key management personnel (who are not directors of CEO), in bands no wider than S\$250,000. In FY2024 and as at the date of this report, other than the Directors and CEO, the Company has no key management personnel.

There were no termination, retirement or post-employment benefits provided for in the employment contracts with the Directors and the key management personnel. The Company currently does not have any employee share option scheme in place.

There are no other employees who are immediate family members of a Director, the CEO or a substantial shareholder, and whose remuneration exceeds S\$100,000 in FY2024.

Directors' fees are also approved by shareholders at every AGM of the Company. The remuneration of the Executive Director(s), if any, are reviewed by the RC and recommended to the Board for deliberation.

ACCOUNTABILITY AND AUDIT RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: Risk Management and Internal Controls

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.

The Board is responsible for providing a balanced and understandable assessment of the Group's performance, position and prospects. Such responsibility extends to interim and other price-sensitive public reports, and reports to regulators. Management provides members of the Board with monthly management accounts which present a balanced and understandable assessment of the Company's performance, position and prospects.

The Board also reviews legislation and regulatory compliance reports from Management to ensure that the Group complies with the relevant regulatory requirements, including requirements under the Catalist Rules, with the assistance of the Group's legal counsel.

The Board, with the assistance from the AC, is responsible for determining the nature and extent of the significant risks which the Group is willing to take in achieving its strategic objectives by ensuring that the Group has put in place adequate and effective risk management and internal controls systems to manage its significant business risks, to safeguard shareholders' investments and the Company's assets.

A key role of the AC is overseeing the Group's risk management framework and policies, as well as the regulation of risks undertaken or faced by the Group. The AC may examine whichever aspects it deems appropriate of the Group's financial affairs, audits and its exposure to risks of a regulatory or legal nature.

The AC keeps under review the efficacy of the Group's system of accounting and internal financial controls. Also kept under constant review is the Group's system of ensuring compliance with legal, operational and regulatory matters, including risk management, amongst others.

In relation to assisting the Board with the risk management function, the AC is guided by the following terms of reference:

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- determine the Group's levels of risk tolerance and risk policies;
- oversee Management in the formulation, updating and maintenance of an adequate and effective risk management and internal control systems in addressing material risks including material financial, operational, compliance and information technology risks;
- make the necessary recommendations to the Board such that an opinion regarding the adequacy and effectiveness of the risk management and internal control systems can be made by the Board in the annual report in accordance to the Catalyst Rules and the Code;
- review the Group's risk profile regularly and the adequacy of any proposed action if necessary; and
- review any material breaches of risk appetite/tolerances/limits and the adequacy of any proposed action if necessary.

For FY2024, the financial records of the Group were overseen by a former finance and management team that departed from the Company in June 2025. The majority of the Board and AC for FY2024 had also comprised Directors who have since resigned from the Company. To their best extent possible, the current Directors in the AC are able to determine that (i) the financial records of the Group for FY2024 have been properly maintained and that the financial statements for FY2024 give a true and fair view of the Group's operations and finances; and (ii) the Group's risk management and internal control systems are adequate and effective in addressing the material risks in the Group in its business environment including material financial, operational, compliance and information technology risks for FY2024. This view is concurred by the current Board.

Although the former finance and management team of the Company have departed from the Company in June 2025, the current AC is assured that the present management and finance team have put in place essential mechanisms that are designed to uphold the integrity of the Company's financial reporting and ensure compliance with regulations. The risk management and internal control systems for the Group are also adequate and effective in addressing the material risks in the current business environment for the Group, including material financial, operational, compliance and information technology risks.

The current Board is cognizant of the disclaimer of opinion by the external auditors of the Company on the audited financial statements of the Group and the Company for FY2024. The current Board is coordinating closely with the external auditors to address the respective matters set out in the Independent Auditors' Report to the members of the Company as appended in this annual report.

Internal controls

The AC had considered and reviewed with management and the internal auditors for FY2024 the following:

- annual internal audit plans to ensure that the plans covered sufficiently a review of the internal controls of the Group; and
- significant internal audit observations and management's response thereto.

For FY2024, the Company's internal auditors, Foo Kon Tan Advisory Services Pte Ltd ("**FKTAS**") did not perform a review of the interested persons transactions ("**IPTs**") for FY2024. An internal audit was only conducted for Pioneer Venture Pte Ltd in accordance with the Group's internal audit plan. The review of IPTs will be conducted in FY2025.

Based on the internal controls established and maintained by the Group, work performed by the internal auditors and external auditors, and the review performed by Management and the AC, to their best extent possible, the current Board, with the concurrence of the current AC, is of the opinion that the Group's framework of internal controls, including financial, operational, compliance and information technology controls, and risk management systems, is adequate and effective to provide reasonable assurance of the integrity and effectiveness of the Group in safeguarding its assets and shareholders' value for FY2024. Nevertheless, the AC and the Board recognise that no cost-effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable but not absolute assurance against material misstatement or loss. The Board is in the midst of engaging an independent professional to carry out an assessment of the abovementioned systems to identify any deficiencies and to update these systems in view of the potential offences committed by Mr. Seah Chong Hoe and Dato' Sri Mohd Sopiyan Bin Mohd Rashi as set out in the Company's announcement on 22 July 2025 and the delay in the holding of the Company's AGM for FY2024.

Risk Management

An assessment of the significant risk areas relevant to the Company's businesses, operations and compliance requirements have been carried out and are identified as follows:

(a) Reliance on the Semiconductor Industry

Majority of the Group's products and services are employed in the production of semiconductors and in aquaculture technology. A significant portion of the Group's revenues are directly or indirectly related to the capital expenditure of manufacturers in the semiconductor industry and the aquaculture industry. These industries may be subject to significant fluctuations as a consequence of general economic conditions and industry patterns. Capital expenditure for products such as those sold by the Group are

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directly affected as a result of these fluctuations. The Group operates in cyclical industries and these fluctuations are likely to have an adverse effect on the Group's business, financial condition and results of operations.

(b) Technological Changes

The market for the Group is characterised by rapidly changing technology. The Group's future success will depend upon its ability to develop and introduce new products on a timely and cost-effective basis to meet customers' requirements and address technological developments. Successful product developments and introduction require the identification of new product requirements and opportunities, the retention and hiring of appropriate research and development personnel, the definition of a product's technical specifications, the successful completion of the development process and the successful marketing of a product.

(c) Foreign Exchange Risk

The Group is exposed to various common financial risks arising in the normal course of business. A significant portion of the Group's revenue is denominated in the United States dollar. Operating expenses and wages are made mainly in local currency. Hence, exchange rate movements in the United States dollar and the Singapore dollar (the Company's reporting currency), amongst others, will expose the Company to foreign exchange risk.

Dealings in the Company's Securities

The Company has devised and adopted an internal compliance code (the "Internal Code") to provide guidance to its officers with regards to dealings in the Company's securities including reminders that the law on insider trading is applicable at all times.

The Internal Code provides that the Company, its officers and employees of the Group should not deal in securities of the Company when they are in possession of any unpublished material price-sensitive information of the Group.

The Company's Internal Code also provides that the Company, its officers and employees of the Group should not trade in the Company's securities during the period commencing one (1) month before the date of announcement of the Company's half-yearly and full year results and ending on the date of announcement of the relevant results.

In addition, the Company's officers and employees should not deal in the Company's securities for short-term considerations.

The Board confirms that for FY2024, the Company has complied with Rule 1204(19) of the Catalist Rules.

Interested Person Transactions ("IPTs")

The aggregate value of interested person transactions entered into during FY2024 as required for disclosure pursuant to Rule 1204(17) of the Catalist Rules is as follows:

Name of interested Person	Nature of Relationship	Aggregate value of all IPTs entered into for FY2024 (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all IPTs conducted in FY2024 under Shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S\$100,000)
ASTI Holdings Limited ("ASTI") and its subsidiaries ("ASTI Group")	Controlling Shareholder of the Company	- Interest expenses amounting to S\$391,000 ⁽¹⁾	Nil ⁽¹⁾
Dato' Loh Soon Gnee	Controlling Shareholder of the Company	Nil ⁽²⁾	Nil
Yumei Plastic Pte Ltd	A wholly-owned company of Mr. Seah Chong Hoe, former Director of the Company	Nil ⁽³⁾	Nil
Innovend Pte Ltd	A company for which Mr Lim Wee Beng Eddie, also Senior Advisor of the Company, is a director of	Nil ⁽⁴⁾	Nil

Notes:

⁽¹⁾ Relates to interest payable on the loan amounting to S\$8,394,000 (2023: S\$9,395,000) extended by ASTI Group ("Loan"). The Loan, which bears floating interest rates ranging from 5.69% to 5.90% per annum, repriced on a quarterly basis, is unsecured. The Loan is repayable on yearly instalment and matures in 2029. The Company had obtained a specific IPT

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mandate from shareholders for the consolidated loan agreement entered into with ASTI at an extraordinary general meeting of the Company held on 19 February 2021. For details, kindly refer to the Company's announcement dated 4 February 2021. ASTI Group ceased to be a substantial shareholder of the Company on 29 October 2024, following the disposal of its shares in the capital of the Company. Accordingly, the interest expenses incurred for the Loan and the interests have been calculated up to the date on which ASTI Group ceased to be a substantial shareholder of the Company. The Company is disputing, *inter alia*, the amounts allegedly owing to ASTI Group and the interest payable, and has sought legal advice on the matter.

- (2) Relates to interest payable to Dato' Loh Soon Gnee for FY2024, on loans extended by Dato' Loh Soon Gnee to the Company amounted to S\$89,000, which was below S\$100,000.
- (3) Relates to office facility and storage services expenses for FY2024 amounting to S\$96,000 payable to Yumei Plastic Pte Ltd, which was below S\$100,000.
- (4) Relates to office facility and utilities expenses for the Company's finance team for FY2024 amounting to S\$5,021.66 payable to Innovend Pte Ltd, which was below S\$100,000.

The AC will continue to review and monitor any interested person transactions that may arise and ensures that the Company seeks appropriate approvals, makes appropriate announcements or disclosures on these transactions in accordance with Chapter 9 of the Catalist Rules.

Principle 10: Audit Committee

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

During FY2024, the AC comprises four (4) members, Mr. Chng Hee Kok (AC Chairman), Mr. Chong Man Sui, Mr. Steven Shen Hing and Prof. Ling Chung Yee, all of whom are Non-Executive and Independent Directors.

The members of the AC have adequate accounting, finance, business and managerial experiences. The Board is of the view that the members of the AC have recent and relevant accounting or related financial management expertise and experience to discharge the AC's functions. No member of the AC is a former partner or director of the Company's existing auditing firm.

During FY2024, the AC obtained updates from the Company's former external auditors, Forvis Mazars LLP (which resigned as the Company's auditors with effect from 16 January 2025), and current external auditors, CLA Global TS Public Accounting Corporation ("CLA"), which was appointed as the Company's auditors on 11 April 2025, on changes in accounting standards, corporate governance and other relevant regulations that might have a direct impact on the Group's financial statements.

The AC has the explicit power to conduct or authorise investigations into any matters within its terms of reference, has full access to and co-operation by Management. It has full discretion and the prerogative to invite any Director or executive officer to attend its meetings. All resources that would enable the AC to discharge its duties objectively, effectively and expeditiously are made available to the AC.

The AC performs the following functions in accordance with the terms of reference which include the following:

- reviews with the External Auditors, their scope and results of the external audit work, the audit plan, audit reports and any matters which the external auditors wish to discuss;
- reviews with the internal auditors at least annually, checks on the adequacy and effectiveness of the overall internal control systems, including financial, operational, compliance and information technology controls and risk management;
- reviews the assurance from the CEO and the Finance Manager on the financial records and financial statements;
- making recommendations to the Board on the proposals to the shareholders on the appointment and removal of External Auditors;
- reviews the internal audit function to ensure that it is adequately resourced and has appropriate standing within the Group;
- reviews significant financial reporting issues and judgements to ensure the integrity of financial statements of the Group and that of any formal announcement made quarterly or annually relating to the Group's financial performance including announcements to shareholders and the SGX-ST prior to the submission to the Board;
- reviews any significant findings of internal investigations;
- makes recommendations to the Board on the appointment of external auditors, the audit fee, terms of engagement and any questions of their resignation or dismissal;
- reviews and approves the appointment, replacement, reassignment or the dismissal of the internal audit function and the head of internal audit function;

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- reviews the assistance given by the Company's officers to the external and internal auditors without the presence of Management;
- reviews and monitors interested person transactions, if any, arising and to ensure that the Catalist Rules and the Company's internal control procedures as approved by Shareholders are adhered to in relation to such transaction;
- reports actions and minutes of the AC meetings to the Board of Directors with such recommendations as the AC considers appropriate;
- to review, monitor, assess and evaluate the role, adequacy and effectiveness, independence, scope and results of the external audit and the internal audit function in the overall context of the Company's risk management system;
- conducts an annual review of the independence and objectivity of the Company's external auditors, including the volume of non-audit services supplied by the external auditors, to satisfy itself that the nature and extent of such services have not prejudiced the independence and objectivity of the external auditors before confirming their re-nomination; and
- reviews the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed upon.

The AC held five (5) meetings during FY2024. The AC communicated with the Company's former external auditors, Forvis Mazars LLP, three (3) times, and with CLA three (3) times, in relation to FY2024 audit. Reports of the findings and recommendations by external auditors were done independently and presented to the AC.

The principal activities of the AC during FY2024 are summarised below:

Financial reporting

The AC met on a quarterly basis and reviewed the half-yearly and full year results announcements, material announcements and all related disclosures to the shareholders before submission to the Board for approval. In the process, the AC reviewed the audit plan and audit committee report presented by the Company's external auditors.

The AC reviewed the full-year financial statements and also discussed with Management and CLA the significant issues and adjustments resulting from the audit, as well as any significant deficiencies in internal controls over financial reporting matters that came to CLA's attention during their audit, together with their recommendations.

In the review of the financial statements, the AC has discussed with Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements. The external auditors have discussed with Management their bases for disclaimer of opinion as set out in the Independent Auditor's Report to the Company as appended in this annual report. The AC has reviewed these bases.

Going Concern

The Group's and the Company's net assets were S\$6,477,000 (2023: S\$7,249,000) and S\$12,328,000 (2023: S\$6,864,000) respectively. However, the Group and Company's current liabilities exceeded its current assets by S\$17,129,000,000 (2023: S\$1,464,000) and S\$19,880,000 (2023: S\$6,593,000) respectively. In addition, the Group incurred a net loss of S\$7,389,000 (2023: net loss S\$4,017,000) and generated a net operating cash outflow of S\$1,701,000,000 (2023: inflow of S\$246,000) for FY2024. These conditions cast doubt on the appropriateness of the going concern assumption used by the Group and the Company.

Notwithstanding the above, the financial statements have been prepared on a going concern basis as the Board is confident that the Group will generate positive cash flow based on a cash flow projection of twenty-four months from the end of the financial year prepared by the Management.

In preparing the cash flow projection, the Group has taken the following into consideration:

- (i) The deferment of the purchase consideration of approximately S\$4,600,000 in relation to the acquisition of LSO Group. The agreed repayment of the full consideration was within six (6) months from the completion date of 2 August 2024, which would have fallen on 1 February 2025. Management has obtained an extension, allowing the consideration payment being deferred to a date beyond the next 12 months.
- (ii) The Company is contesting the alleged claims in the second letter of demand received on 17 September 2025. Accordingly, no cash outflow has been forecast for the full outstanding amount stated in the letter of demand.
- (iii) The subsidiary corporation, Emerald Precision Engineering Sdn Bhd, is able to obtain bank facilities of up to approximately S\$1,417,000 (equivalent to MYR4,500,000).

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- (iv) The Company has redeemable convertible notes amounting to S\$2,300,000 (the “**Debt**”) which has matured on 31 October 2024. On 14 November 2025, Management has obtained a debt settlement agreement from the notes holder that the notes holder agreed not to demand for the immediate payment of the Debt from the Company. The notes holder further agreed to stay and refrain from instituting, pursuing or enforcing any legal proceedings or demands in relation to the Debt, until the next round of proposed note issuance, on or before the extended fulfilment date on 3 February 2026.

The Company also announced on 27 November 2025 that 30,022,580 new ordinary shares in the capital of the Company were allotted and issued by the Company pursuant to the exercise of the Rights Cum Warrants Issue completed on 19 December 2024. Following the allotment and issuance of the New Shares, the total number of issued and paid-up ordinary share capital of the Company has increased to 1,665,144,341 shares.

Based on the above, the Board has assessed and is of the view that it is appropriate that the financial statements of the Group and the Company be prepared on a going concern basis. If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities respectively. No such adjustments have been made to these financial statements.

External audit processes

At the extraordinary general meeting of the Company held on 11 April 2025, it was resolved that CLA, having consented to act, be appointed as the external auditors of the Company in place of Forvis Mazars LLP, with effect from 11 April 2025 and to hold office until the conclusion of the next AGM of the Company, at a remuneration and on such terms to be agreed between the Directors of the Company and CLA. The AC has recommended to the Board that the external auditors, CLA, be nominated for appointment as auditors at the forthcoming AGM of the Company. The AC has reviewed the independence and objectivity of CLA and has considered and is satisfied with the adequacy of the resources and experience of CLA and the audit partner-in-charge assigned to the audit, the firm’s other audit engagements, the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the audit. CLA is registered with the Accounting and Corporate Regulatory Authority and approved under the Accountants Act 2004 of Singapore. The director-in-charge assigned to the audit is a registered public accountant under the Accountants Act 2004 of Singapore.

The Company has complied with Rules 712 and Rule 715 of the Catalist Rules in relation to the appointments of its external auditors.

The AC reviews the independence of the external auditors annually. As disclosed in Note 8 of the financial statements of the Group for FY2024, the aggregate amount of audit fees paid/payable to the external auditor of the Company, CLA, and the auditor for the Company’s subsidiaries in Malaysia for FY2024 was approximately S\$193,000. For FY2024, there are no non-audit services rendered to the Group by the external auditor of the Company, CLA, and the auditor for the Company’s subsidiaries in Malaysia, and accordingly, there are no non-audit fees paid/payable to the external auditor of the Company, CLA, and the auditor for the Company’s subsidiaries in Malaysia.

Internal controls

During FY2024, the AC has reviewed and assessed the adequacy of the Group’s system of internal controls and regulatory compliance through discussion with the Management and the External Auditors.

The AC considered and reviewed with the Management on the following:

- annual internal audit plans to ensure that the plans covered sufficiently a review of the internal controls of the Group; and
- significant internal audit observations and the Management’s response thereto.

The AC has reviewed the adequacy of the internal audit function and is satisfied that the appointed internal auditors have adequate resources to carry out the internal audit function for FY2024 in accordance with the scope of their engagement. For FY2025, the AC will be engaging with the internal audit function to conduct an internal audit of the Group,

Whistle-blowing policy

The Company has in place a whistle blowing policy that provides well-defined and accessible channels through which any employee may raise any concerns he/she may have about improper conduct or malpractices within the Group. The whistle blowing policy can be found on the Company’s intranet, and, together with the procedures for raising such concerns, are clearly communicated to employees. Any concerns may be raised, either anonymously or otherwise, directly to the AC Chairman, and the identity of the person raising the concern is kept strictly confidential to the fullest extent reasonably practicable in law and the Company is committed to ensure protection of the whistle-blower against detrimental or unfair treatment. The AC Chairman has

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direct oversight in the administration of the policy. The AC has reviewed and is satisfied with the adequacy of the whistle blowing policy. For FY2024, no whistle blowing reports were received.

Internal audit

In FY2024, the internal audit function was outsourced to FKTAS. FKTAS is an associate company under Foo Kon Tan LLP, Chartered Accountants of Singapore, an accountancy practice which was founded in 1968 and is currently a principal member of HLB International, a world-wide network of independent accounting firms and business advisers. FKTAS has experience in providing internal audit and enterprise risk management services to several companies that are listed on the Singapore Exchange. The team, comprising of an Engagement Manager, Senior Associate and Associates, is led by the Engagement Partner who has 20 years of relevant experience. For FY2024, FKTAS has carried out an audit on the Company's subsidiary, Pioneer Venture Pte Ltd, and there were no material weaknesses in internal controls identified. The Company will be conducting an internal audit on the Group for FY2025.

The primary reporting line of the appointed internal auditors is to the AC, which approves the engagement, termination, evaluation and fees of the Internal Auditor. The Internal Auditor has unfettered access to all the Group's documents, records, properties and personnel, including access to the AC. The Internal Auditor assists the AC in monitoring and assessing the effectiveness of the Group's material internal controls. The Internal Auditor also assists the Management in identifying operational and business risks as well as provides recommendations to address those risks.

The AC ensures that the internal audit function is effective and adequately resourced and has the capabilities to adequately perform its functions. In this regard, the AC reviews on an annual basis the effectiveness of the internal audit function by examining the scope of the Internal Auditor's work, quality of its reports, reporting structure within the Group, relevant qualifications and training, relationship with the Internal Auditor, and its independence of the areas reviewed. For FY2024, the AC is of the view that the Internal Auditor is independent, effective, adequately resourced and has appropriate standing within the Group.

SHAREHOLDERS' RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

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.

Principle 12: Engagement with Shareholders

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

The Shareholders are informed of the Shareholders' meetings through timely and formal notices via SGXNET and published in the newspapers. All relevant reports and/or circulars are sent in advance to all Shareholders so that they can familiarise themselves with the issues that will be raised at general meetings. Shareholders are also given opportunities to raise questions, and to communicate their views on issues which affect the Company, at general meetings. Every Shareholder is entitled to appoint two (2) proxies to attend the general meeting and vote in his stead.

Corporations which provide custodial or nominee services are not constrained by the two-proxy rule. These corporations can appoint more than two (2) proxies. Shareholders, who hold shares through these corporations, may attend its general meetings as proxies upon the presentation of proxy forms and/or official letters issued by the said corporations.

Pursuant to the amendments to the Companies Act, a new multiple-proxies regime ("**Regime**") was introduced on 3 January 2016. This Regime allows specified intermediaries, such as banks and capital markets service licence holders which provide custodial services, to appoint more than two (2) proxies. This will enable indirect investors (including investors who purchased shares under the CPF Investment Scheme ("**CPFIS**") and the Supplementary Retirement Scheme ("**SRS**") to attend and vote at Shareholders' meetings. CPFIS investors and SRS investors are required to contact their CPF Approved Nominees if they wish to cast their votes on resolutions at the Shareholders' meetings of the Company but are not able to attend these meetings in person.

The External Auditors are present at AGMs to assist the Board and the Management to address any questions from the Shareholders concerning the conduct of the audit and the Company's conduct of its businesses. All Directors attend general meetings of Shareholders. In FY2024, all Directors attended all general meetings held during the year where applicable, during their tenure.

At general meetings, each substantially separate issue is dealt with in separate resolutions to avoid bundling of resolutions unless the resolutions are interdependent and linked so as to form one significant proposal. The Company has not amended its Constitution to provide for absentia voting methods. Notwithstanding that, Provision 11.4 sets out that the Company's Constitution should allow for absentia in voting. However, voting in absentia and by electronic mail may only be possible following careful study to ensure that integrity of the information and authentication of Shareholders' identities through the web are not compromised.

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Whenever possible and appropriate, the Company fulfils requests from securities analysts, stockbrokers, dealers, fund managers and journalists for telephone and face-to-face interviews and meetings with the Management.

Provision 11.6 states that companies should have a dividend policy and communicate it to shareholders. However, the Company currently does not have a formal policy on payment of dividends. Nonetheless, the Company is of the view that its current practices would constitute a balanced and understandable assessment of its position on a dividend policy, and such practice is consistent with the intent of Principle 11 of the Code. Additionally, the Company also discloses the reasons for the decision of the Board not to declare or recommend a dividend, together with the announcement of the financial statements, which is in line with Rule 704(23) of the Catalist Rules.

The Company may declare dividends by way of an ordinary resolution of the Shareholders at a general meeting but may not pay dividends in excess of the amount recommended by the Directors. The declaration and payment of dividends will be determined at the sole discretion of the Directors, subject to the approval of the Shareholders. The Directors may also declare an interim dividend without the approval of the Shareholders. No dividend was declared in respect of FY2024 as the Group still has accumulated losses as at 31 December 2024.

The Company will record the minutes of general meetings that include substantial and pertinent comments from Shareholders relating to the agenda of the meetings and responses from the Board and Management. The Company publish minutes of its general meeting within one month after the general meeting on SGXNET

For greater transparency, the Company will put all resolutions to vote by poll at general meetings and an announcement of the detailed results of the number of votes cast for and against each resolution and the respective percentages will be made on the same day.

The Company engages in regular, effective and fair communication with the Shareholders. The Company ensures that all Shareholders are treated equitably and the rights of all Shareholders are protected. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company has an investor relations policy that requires the Company to hold dialogues with investors, securities analysts, fund managers and the press as and when necessary. The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders to serve the best interests of the Company.

On a regular and timely basis, the Company disseminates material information simultaneously through news and press releases via SGXNET and electronic mail to securities analysts, the Shareholders and the media. Shareholders can access information on the Company at the Company's website at www.asa.com.sg, to ensure that all Shareholders and the public gain fair and sufficient access to information, changes, updates and the archives of the Company or its businesses which would be likely to materially affect the price or value of the Company's shares.

The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects. Information is always communicated to the Shareholders on a timely and fair basis. Where inadvertent disclosure has been made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable.

The Company invites the media, securities analysts, fund managers or the Shareholders to its general meetings, or briefings that follow major announcements and events, such as earnings releases and trade exhibitions.

MANAGING STAKEHOLDERS' RELATIONSHIP

Principle 13: Engagement with Stakeholders

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 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 Company's engagement with all stakeholders is set out in detail in its Sustainability Report, which was released by the Company via SGXNet on 30 April 2025. The Company ensures that all material information relating to the Company and its financial performance is disclosed in a timely manner via SGXNet.

The Company also maintains a current corporate website, at www.asa.com.sg, on which financial and other information to be communicated to members of the public are made available.

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OTHER CORPORATE GOVERNANCE MATTERS

Material Contracts

Except as disclosed in the financial statements and in this Report, there were no material contracts (including loans) involving the interests of the Directors or controlling shareholders which are either subsisting as at the end of the financial year reported on or if not then subsisting, entered into since the end of the previous financial year.

Catalist Sponsor

With reference to Rule 1204(21) of the Catalist Rules, there was an aggregate of S\$1.40 million (excluding GST) of non-sponsor fees paid/payable to the Company's sponsor, ZICO Capital Pte. Ltd. ("**ZICO Capital**"), for FY2024, in relation to ZICO Capital's appointment as the financial adviser to the Company in respect of the Company's acquisition of LSO Organization Holdings Pte. Ltd. and as the manager of the Company's Rights cum Warrants Issue exercise. The non-sponsor fees include the Company's issuance of 7,792,308 shares at an issue price of S\$0.065 to ZICO Capital as part payment of ZICO Capital's management fees as the financial adviser to the Company in respect of the Company's acquisition of LSO Organization Holdings Pte. Ltd.

Use of Proceeds

(A) Issuance of 5.0% redeemable convertible notes in aggregate principal amount of up to S\$5.0 million ("RCN 1.0")

The Company raised an aggregate of S\$4.5 million from the RCN 1.0 ("**RCN 1.0 Proceeds**"), comprising (a) S\$2.5 million raised on 31 October 2023 via the issuance of tranche 1 of RCN 1.0, and (b) S\$2.0 million raised on 30 July 2024 and 1 August 2024 via the issuance of tranche 2 of RCN 1.0. A balance of S\$0.5 million of notes remained unsubscribed by the subscribers under the RCN 1.0. On 8 April 2025, the Company announced that it had entered into a deed of termination to terminate the subscription agreement of the RCN 1.0 ("**Deed of Termination**"). Following the entry into the Deed of Termination, there is no longer an obligation for the Company to issue, and the subscribers to subscribe for, the remaining S\$0.5 million notes under the RCN 1.0.

The RCN 1.0 Net Proceeds have been fully utilised in accordance with the intended use as stated in the Company's announcement on 2 August 2024 on the re-allocation of use of the RCN 1.0 Proceeds, as follows:

Use of RCN 1.0 Net Proceeds	Allocation	Drawdown and utilised as at 2 August 2024	Balance (not drawdown)
Bridging Loan ⁽¹⁾	S\$2,000,000	S\$2,000,000	-
General working capital ⁽²⁾	S\$3,000,000	S\$2,500,000	S\$500,000
Total	S\$5,000,000	S\$4,500,000	S\$500,000

Notes:

(1) Refers to a bridging loan of S\$2.0 million advanced to the vendors of the Company's acquisition of LSO Organization Holdings Pte. Ltd., which was completed on 2 August 2024.

(2) Breakdown of the S\$2.5 million utilised for general working capital:

Purpose	(S\$)
(a) Repayment of 1 st instalment to ASTI.	1.00 million
(b) Partial repayment of the debt to ASTI pursuant to the statutory demand letter from ASTI	0.67 million
(c) Payment of administrative fees amounting to 6% of the sum of S\$4.5 million drawdown pursuant to the issuance of the RCN 1.0 notes	0.28 million
(d) Professional expenses related to acquisition of LSO Organization Holdings Pte Ltd	0.36 million
(e) Payroll related costs	0.16 million
(f) Others	0.03 million
Total	2.50 million

The use of the cash proceeds is in accordance with the intended uses and amount allocation as disclosed in the Company's announcement dated 2 August 2024 on the Proposed RCN Issuance.

(B) Rights Cum Warrants Issue

On 19 December 2024, the Company completed a renounceable non-underwritten rights cum warrants issue exercise ("**Rights Cum Warrants Issue**") and raised net proceeds of approximately S\$4.605 million ("**RCW Net Proceeds**") (excluding proceeds to be raised from the exercise of the warrants).

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The Company only has records of the utilisation of the RCW Net Proceeds up to 28 February 2025, as announced in the Company's announcement dated 1 March 2025 ("**1 March 2025 Announcement**"), and as set out in the table below.

Use of RCW Net Proceeds	Amount of RCW Net Proceed raised (S\$' million)	Balance as at 6 January 2025 (S\$' million)	Revised balance as announced on 1 March 2025 (S\$' million)	Amount utilised from the period of 7 January 2025 up until 28 February 2025 (S\$' million)	Balance of RCW Net Proceeds as at 28 February 2025 (S\$' million)
Partial payment of the cash consideration payable to the vendors for the acquisition of 100% of LSO Organization Holdings Pte. Ltd. (" LSO Acquisition ")	3.497	2.112 ⁽¹⁾	0.450 ⁽²⁾	0.450	-
Partial payment of the indebtedness owing to Seah Chong Hoe	0.135	-	-	-	-
Partial payment of professional fees owing to Insights Law LLC (" ILAW ") and ZICO Capital Pte. Ltd. (" ZICAP ") in respect of the LSO Acquisition	0.367	-	-	-	-
General corporate and working capital purposes ⁽¹⁾	0.606	0.006	1.668 ⁽²⁾	1.066 ⁽³⁾	0.602
Total	4.605	2.118	2.118	1.516	0.602

Notes:

- (1) The Company has on 6 January 2025 announced that there has been a deviation of the use of RCW Net Proceeds of S\$0.098 million, originally allocated for "partial payment of the case consideration payable to the vendors of the LSO Acquisition" has been utilised for "partial payment of professional fees owing to ILAW and ZICAP" instead.
- (2) The Company has on 1 March 2025 announced that there has been a further deviation of the use of RCW Net Proceeds of S\$1.662 million, originally allocated for "partial payment of the case consideration payable to the vendors of the LSO Acquisition" has been utilised for "general corporate and working capital purposes", for the purposes of partial payment of the indebtedness owing to a shareholder of the Company, payment of professional fees and for payroll and other expenses.
- (3) Breakdown of the S\$1.06 million utilised for general working capital:

Purpose	Amount (S\$)
(a) Partial payment of the indebtedness owing to a shareholder	0.513 million
(b) Professional fees	0.322 million
(c) Payroll related costs	0.138 million
(d) Others	0.093 million
Total	1.066 million

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On 5 August 2025, the Company made an announcement to shareholders of the Company that, following internal investigations carried out by the Board, it has come to the knowledge of the Board that based on the Company's bank account records, the RCW Net Proceeds Balance appears to have been fully utilised. The Company is reviewing and investigating the Group's financial records to ascertain whether the utilisation of the RCW Net Proceeds Balance is in accordance with the intended uses as disclosed in the 1 March 2025 Announcement. The Company will provide further updates to shareholders of the Company as and when there are material developments to these matters.

Information on Directors Nominated for Re-Election – Appendix 7F of the Catalist Rules

Mr Lim Chen Chong (“**Mr Lim**”) is a Director who will be seeking re-election at the forthcoming AGM of the Company to be convened on 16 December 2025.

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to Mr Lim in accordance with Appendix 7F of the Catalist Rules are set out below:

Name of Director: MR LIM CHEN CHONG

Date of Appointment	26 August 2024
Date of last re-appointment (if applicable)	Not Applicable
Age	56
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process).	The re-election of Mr Lim Chen Chong (“Mr Lim”) as a Non-Independent and Non-Executive Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr Lim's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Independent and Non-Executive Director; AC/NC/RC Member
Professional qualifications	Bachelor of Business Administration, University of Miami
Working experience and occupation(s) during the past 10 years	Mar 1992 – Present - Waterfront Marina Resort Pte Ltd - Director In Charge Of Operation Sep 1995 - Sep 2020 - T.K. Properties Pte Ltd - Director Sep 1995 – Present

	<p>- Marina City Development Pte Ltd - Director in Charge of Operation, Marketing</p> <p>Sep 1995 – Present - T.K. Lim Realty Private Limited - Director in Charge of Operation</p> <p>Sep 2007 – Present - Lim Shrimp Organization Limited - Ex-CEO in charge of all high level planning and operation and currently act as an Advisor</p> <p>Apr 2013 – Present</p> <p>- LSO Hainan Pte Ltd - Director in Charge of Operation</p> <p>Oct 2021- Present - Cableco Investments Pte Ltd - Director in Charge of Investment</p> <p>Nov 2021 – Present - The Biolabs Pte Ltd - Vice Chairman in Charge of Operation And Marketing</p> <p>Apr 2022 – Present - Three S Asset Management Pte Ltd - Alternate Director in Charge of Investment</p> <p>Dec 2002 – Present - Select Investments Pte Ltd - Director in Charge Of Investment</p> <p>Jun 2023 – Present - Ubody Pte Ltd - Director in Charge Of Operation And Marketing</p> <p>Jun 2023 – Present</p>
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	<p>- Udetox Holdings Pte Ltd - Director in Charge Of Operation</p> <p>Aug 2023 – Present - Lim Shrimp Corporation Pte Ltd - Director in Charge Of Operation</p> <p>Aug 2023 – Present - LSO Organization Holdings Pte Ltd - Director in Charge Of Operation</p>
Shareholding interest in the listed issuer and its subsidiaries	Yes.*
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	Yes. Mr Lim is a substantial shareholder of the Company and is the founder of Lim Shrimp Organization Limited, a subsidiary of the Company.
Conflict of interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Past Directorships (for the last 5 years)	Modular Tech Pte Ltd Pines Venture Pte Ltd T.K. Propertied Pte Ltd
Present Directorships	<p>Lim Shrimp Organization Limited Cableco Investments Pte Ltd</p> <p>Three S Asset Management Pte Ltd Select Investments Pte Ltd</p> <p>Lim Shrimp Aquapolis Pte Ltd</p> <p>Lim Shrimp Corporation Pte Ltd</p> <p>LSO Organization Holdings Pte Ltd</p> <p>LSO Hainan Pte Ltd Marina City Development Pte Ltd</p>

* Lim Shrimp Corporation Pte Ltd – 100 shares

Lim Shrimp Organization Limited - 950,000 shares

Advanced Systems Automation Limited - 153,846,152 shares

	<p>T.K. Lim Realty Private Limited</p> <p>The Biolabs Pte Ltd</p> <p>Ubody Pte Ltd</p> <p>Udetox Holdings Pte Ltd</p> <p>Waterfront Marina Resort Pte Ltd</p> <p>PT Gajah Udang Alethea Marine Culture Sdn Bhd</p>
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No

(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-	
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
<p>Any prior experience as a director of an issuer listed on the Exchange?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	<p>No, Mr Lim will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST.</p>

Information on Directors Nominated for Re-Election – Appendix 7F of the Catalist Rules

Mr Chng Hee Kok (“**Mr Chng**”) is a Director who will be seeking re-election at the forthcoming AGM of the Company to be convened on 16 December 2025.

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to Mr Chng in accordance with Appendix 7F of the Catalist Rules are set out below:

Name of Director: Mr Chng Hee Kok

Date of appointment	24 September 2024
Date of last re-appointment (if applicable)	Not applicable
Age	77
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The re-election of Mr Chng as an Independent and Non-Executive Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr Chng's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Members etc.)	Independent and Non-Executive Director, Chairman of the Audit Committee and the Remuneration Committee, and a member of the Nominating Committee
Professional Qualifications	National University of Singapore, Bachelor of Engineering (1st Class Honours) - 1976 National University of Singapore, Master of Business Administration (MBA) – 1984 International Institute for Management Development, Switzerland, Program for Executive Development - 1976
Working experience and occupation(s) during the past 10 years	2021 – 2022: Chemical Industries (Far East) Ltd, Interim Chief Executive Officer 2012 – 2016: LH Group Ltd, Executive Director and Managing Director
Shareholding interest in the listed issuer and its subsidiaries	None
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

Conflict of interests (including any competing business)	None
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* including Directorships	
* "Principal Commitments" has the same meaning as defined in the Code	
Past (for the last 5 years)	Directorships: 1. Luxking Group Holdings Ltd 2. Blackgold Natural Resources Ltd 3. Metech International Ltd 4. KTL Global Ltd 5. Ellipsiz Ltd 6. Samudera Shipping Line Ltd 7. Chaswood Resources Holdings Ltd 8. Sandpiper Digital Payment AG 9. Ferrstron Electric Pte. Ltd. 10. Cashflws Pte. Ltd.
Present	Directorships: 1. The Place Holdings Ltd 2. Debao Property Development Ltd 3. Full Apex (Holdings) Ltd 4. United Food Holdings Ltd 5. Rational Pricing Technologies Pte. Ltd. 6. Matex International Limited
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy laws of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	Yes. Mr Chng is an independent director of Full Apex (Holdings) Limited (" FAHL "), a company listed on the mainboard of SGX-ST. A winding up petition was led against FAHL on 8 February 2018 (" Petition ") by certain creditors (" Petitioner "). For more details, please refer to FAHL's announcement dated 23 March 2018 on SGXNET. On 14 May 2019, FAHL announced that the creditors have confirmed receipt of the Total Consideration under a Loan Transfer Agreement (the " LTA "). Further, the joint provisional liquidators (" JPL ") of FAHL understand that the Petitioner will apply for the withdrawal of the Petition before the next hearing, subject to fulfilment of certain conditions. On 9 July 2019, FAHL announced that the court had ordered for the Petition to be withdrawn during a court hearing for the Petition held on 14 June 2019. There are however certain post-completion obligations under the LTA that

	<p>are yet to be fulfilled prior to the discharge of the JPL. On 21 April 2020, FAHL announced that it is still working on the fulfilments of the outstanding obligations under the LTA which are required prior to the discharge of the JPL. On 23 November 2020, the Bermuda Court had on 26 August 2020, ordered that the Petition be withdrawn and the JPL be discharged and released, with effect upon payment of the JPLs' fees, expenses and costs ("Withdrawal and Discharge Order"). The JPL, had on 3 November 2020 applied to the Bermuda Court for an order to declare the Withdrawal and Discharge Order to take effect on 3 November 2020 upon the settlement of the JPLs' fees, expenses and costs on the same day. On 15 January 2021, FAHL announced that it had received Order dated 5 January 2021 that the Withdrawal and Discharge Order has taken effect on 3 November 2020. For more details, please refer to FAHL's announcements dated 14 May 2019, 9 July 2019, 21 April 2020, 23 November 2020 and 15 January 2021 on SGXNET.</p>
(c) whether there is any unsatisfied judgment against him;	No
(d) whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings which he is aware of) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities and futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No

(g) Whether he has been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part in any way directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
<p>(j) Whether he has, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:</p> <ul style="list-style-type: none"> (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities and futures industry in Singapore or elsewhere, <p>in connection with any matter concerning or arising during the period when you were so concerned with the entity or business trust?</p>	<p>(i) Yes</p> <p><u>Auston International Group Ltd.</u> Mr Chng was an independent director of Auston International Group Ltd. (“Auston”) from 20 March 2003 to 25 June 2007. There had been investigations initiated by the Commercial Affairs Department (“CAD”) into Auston, acting on a report lodged by a legal representative acting for Auston, that the prospectus issued for Auston’s initial public offering in April 2003, had false and misleading information. Auston’s Audit Committee also commissioned Deloitte & Touche to investigate the accounts of previous years and findings were issued in February 2005 and made available to the CAD. Investigations had revealed that there were accounting irregularities within Auston pertaining to the treatment of university fees payable by Auston to its university partners.</p> <p>The then Chief Executive Officer and then Chief Financial Officer were charged and dealt with, for offences under Section 477A of the Penal Code and the Securities Futures Act 2001. Auston had been charged under Section 253(1) read with Section 253(4)(a) of the Securities Futures Act 2001. In 2007 SGHC 219, the judge, on appeal, ruled that the Chief Executive Officer and Chief Financial Officer were ultimately liable rather than the Company, and had reduced the fine of the Company from S\$90,000 to S\$10,000. Mr Chng was not a subject of the investigation, nor was he fined or penalised.</p> <p><u>Metech International Limited</u> The Board of Metech International Limited, which Mr Chng used to be the Independent Director at the material time, received a letter from Singapore Exchange Regulation (“SGX RegCo”) dated 5 June 2020 and was given an opportunity to make representations in respect of a Notice of</p>

Compliance dated 27 December 2019 issued by SGX RegCo on the disclosure of a former Director. A private warning was subsequently issued to the Board by SGX RegCo. For the avoidance of doubt, Mr Chng was not a director of Metech International Limited during the time of the offence.

KTL Global Limited

In 2021, KTL Global Limited announced that the Audit Committee of the company has received a report from its statutory auditors, regarding potential fraud in financial reporting in light of certain alleged unusual activities in trade receivables involving one of the company's subsidiaries, Bluegas Pte. Ltd.. The Audit Committee of the company has been notified on 13 August 2021 by the auditors that the auditors, as required under Section 207 of the Companies Act 1967, have made a written report to the Ministry of Finance on certain matters which the auditors found to be irregular. The Audit Committee and the Board have, in consultation with the SGX RegCo, engaged Deloitte & Touche Financial Advisory Services Pte. Ltd. ("**DTFAS**"), to undertake an independent review of the concerns raised by the auditors in the report. The scope of the review was subject to SGX RegCo's approval. DTFAS will liaise with, take instructions from, and report its findings directly to the Audit Committee of the company and SGX RegCo.

The company was placed on the Watch-list on 4 December 2019 pursuant to Mainboard Listing Rule 1311 and trading in the company's securities was suspended on 17 August 2021. On 15 March 2024, SGX RegCo granted the company a further extension of time till 30 June 2024 to meet the requirements under Mainboard Listing Rule 1314, to allow the company sufficient time to exit the Watch-list (the "**Second Extension**"). The Second Extension was granted subject to: (a) the company finalising and announcing the independent review report by DTFAS by 30 April 2024 (the "**First Condition**"); and (b) the company obtaining shareholders' approval for the appointment of new auditors by 30 June 2024 at an extraordinary general meeting to be convened (the "**Second Condition**"). On 6 May 2024, SGX RegCo granted the Company's request for an extension of time till 10 May 2024 ("**Extended Timeline**") to meet the First Condition. The company has not met the First Condition by the Extended Timeline as it could not agree to a final fee settlement structure with DTFAS, whose appointment to undertake the Independent Review was announced by the company on 26 August 2021. The Second Extension has thus lapsed. On 15

	<p>May 2024, the company announced that it has been notified by SGX RegCo that it will proceed to delist the company pursuant to Mainboard Listing Rule 1315. As at the date of this annual report, Mr Chng confirms that he is not aware of any investigation or disciplinary proceedings being taken against him by any authorities or regulators, or has been reprimanded or issued any warning by any authority or regulators.</p> <p><u>United Food Holdings Limited</u></p> <p>In 2021, United Food Holdings announced that it had appointed KPMG Services Pte. Ltd. to conduct the special audit/special investigation in relation to the veracity of certain transactions and the inconsistencies of bank balances with respect to certain accounts. The proposed scope of work was sent to the SGX RegCo for review and comment before it was finalized. On 5 August 2024, the company announced the executive summary of the special audit report from KPMG. On 14 August 2024, SGX RegCo released a regulatory announcement and directed the company to be delisted. As at the date of this annual report, Mr Chng confirms that he is not aware of any investigation or disciplinary proceedings being taken against him by any authorities or regulators, or has been reprimanded or issued any warning by any authority or regulators.</p> <p>(ii) No</p> <p>(iii) No</p> <p>(iv) No</p>
<p>(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	<p>Yes</p> <p><u>NTUC Club</u></p> <p>Mr Chng was the chief executive officer of NTUC Club when the offence was committed. The NTUC Club owned a number of private limited companies and Mr Chng was a director in those entities. As such, Mr Chng was fined S\$5,000 in August 2007 under Section 156 of the Companies Act 1967 for failure to disclose his beneficial interest in a company that had dealings with three firms in the NTUC Group where he was a director. Notwithstanding that Mr Chng had previously made verbal declarations of his involvements to the other directors and those directors were aware of his involvement, he failed to provide a written declaration of his interests resulting in the authorities issuing him a fine. In the course of recording Mr Chng's statements, he had provided certain information which were deemed to be false or misleading and for that, he was given a written warning under Section 28B(b) Prevention of Corruption Act 1960.</p>

<p>Any prior experience as a director of an issuer listed on the Exchange?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p>	<p>Not applicable. This relates to re-election of a director.</p>
<p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	<p>Not applicable</p>

Information on Directors Nominated for Re-Election – Appendix 7F of the Catalist Rules

Mr Hong Seong Soo (“**Mr Hong**”) is a Director who will be seeking re-election at the forthcoming AGM of the Company to be convened on 16 December 2025.

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to Mr Hong in accordance with Appendix 7F of the Catalist Rules are set out below:

Name of Director: Mr Hong Seong Soo

Date of appointment	1 October 2025
Date of last re-appointment (if applicable)	Not applicable
Age	61
Country of principal residence	South Korea
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The re-election of Mr Hong as an Independent and Non-Executive Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr Hong's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Members etc.)	Independent and Non-Executive Director
Professional Qualifications	Bachelor of Business Administration, Korea University
Working experience and occupation(s) during the past 10 years	Woosam Korea Co. Ltd – Chief Operating Officer, 2018 – 2025; Chief Executive Officer, 2025 – Present Innovend Pte Ltd – Senior Advisor, 2024 – Present IPR Group Asia Pte Ltd – Director, 2012 – 2022 CNC Network Co. Ltd – Chief Executive Officer and Executive Director, 2013 – 2017 Infinio Group Limited – Executive Director, 2010 – 2011; Acting Chief Executive Officer and Executive Director, 2011 – 2012; Non-Executive Director, 2012 – 2018
Shareholding interest in the listed issuer and its subsidiaries	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial	None

shareholder of the listed issuer or of any of its principal subsidiaries	
Conflict of interests (including any competing business)	None
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* including Directorships	
* "Principal Commitments" has the same meaning as defined in the Code	
Past (for the last 5 years)	1. Woosam Pte Ltd - Director
Present	1. Club Concepts Pte Ltd - Director 2. CBA Spacenet - Owner
(l) Whether at any time during the last 10 years, an application or a petition under any bankruptcy laws of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(m) Whether at any time during the last 10 years, an application or petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(n) whether there is any unsatisfied judgment against him;	No
(o) whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(p) whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware of) for such breach?	No

(q) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities and futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(r) Whether he has been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(s) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part in any way directly or indirectly in the management of any entity or business trust?	No
(t) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
<p>(u) Whether he has, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:</p> <p>(v) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(vi) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(vii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(viii) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities and futures industry in Singapore or elsewhere,</p>	<p>(i) Yes</p> <p>In 2019, Rich Capital Holdings Limited (formerly known as Infinio Group Limited) appointed Provenance Capital Pte. Ltd. as an independent reviewer to review certain matters involving the company that took place during the time when Mr Hong was a director of the company. The review identified potential breaches of the listing rules and/or the Companies Act 1967. Mr. Hong confirms that as at the date of this annual report, he is not aware of any investigations or disciplinary proceedings taken against him by any authorities or regulators, nor was he reprimanded or issued any warnings by any authorities or regulators in relation to any matters relating to the aforementioned review.</p> <p>(ii) No</p> <p>(iii) No</p> <p>(iv) No</p>

in connection with any matter concerning or arising during the period when you were so concerned with the entity or business trust?	
(v) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
<p>Any prior experience as a director of an issuer listed on the Exchange?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p>	<p>Notwithstanding that Mr Hong was a director of Infinio Group Limited (a SGX-listed company) from 2010 to 2018, the Company will make arrangements for Mr Hong to attend the relevant prescribed courses conducted by the Singapore Institute of Directors within one year from his date of appointment.</p>
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable

Information on Directors Nominated for Re-Election – Appendix 7F of the Catalist Rules

Mr Kenneth Sng Min Hua (“**Mr Sng**”) is a Director who will be seeking re-election at the forthcoming AGM of the Company to be convened on 16 December 2025.

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to Mr Sng in accordance with Appendix 7F of the Catalist Rules are set out below:

Name of Director: Mr Kenneth Sng Min Hua

Date of appointment	12 June 2025
Date of last re-appointment (if applicable)	Not applicable
Age	49
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The re-election of Mr Sng as a Non-Independent and Non-Executive Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr Sng's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Independent and Non-Executive Director
Professional qualifications	Accredited Certified Career Practitioner (CCP)
Working experience and occupation(s) during the past 10 years	<p>Jun 2025 to Oct 2025 – Chief Operations Officer of Advanced Systems Automation Limited</p> <p>Apr 2025 to Oct 2025 - Chief Executive Officer of Lim Shrimp Organization Limited (BVI)</p> <p>Jan 2025 to Apr 2025 – Family and wellness sabbatical</p> <p>Jan 2021 to Dec 2024 – Senior Consultant of Workforce Singapore</p> <p>Sep 2018 to Dec 2020 – Chief Executive and Board Director of SN-Riverwood Pte Ltd</p> <p>Jan 2008 to Aug 2018 – Executive Director and CIO of an Established Asian Single-Family Office (Hong Kong)</p>

Shareholding interest in the listed issuer and its subsidiaries	None
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
Conflict of interests (including any competing business)	None
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* including Directorships	
* "Principal Commitments" has the same meaning as defined in the Code	
Past (for the last 5 years)	None
Present	None
(l) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(m) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(n) Whether there is any unsatisfied judgment against him?	No
(o) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(p) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in	No

Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	
(q) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(r) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(s) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(t) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(u) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-	
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the	No

securities or futures industry in Singapore or elsewhere,	
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	
(v) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
<p>Any prior experience as a director of an issuer listed on the Exchange?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p>	<p>No, Mr Sng will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST within one year from his date of appointment.</p>
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable

Information on Directors Nominated for Re-Election – Appendix 7F of the Catalist Rules

Ms Ng Foong Han (“**Ms Ng**”) is a Director who will be seeking re-election at the forthcoming AGM of the Company to be convened on 16 December 2025.

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to Ms Ng in accordance with Appendix 7F of the Catalist Rules are set out below:

Name of Director: Ms Ng Foong Han

Date of appointment	15 October 2025
Date of last re-appointment (if applicable)	Not applicable
Age	49
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The re-election of Ms Ng as the Executive Director of the Company was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Ms Ng's working experience, qualifications, credentials, as well as her work performance and contributions since joining the Company. The NC and the Board are of the view that Ms Ng brings diversity and new perspectives to the Board, and enhances the performance, corporate resilience and reputation of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. Ms Ng oversees the Company's daily operations, setting strategy, and managing resources to achieve the goals of the Company and its subsidiaries. Her key duties include implementing the Board's vision, managing staff, overseeing budgets and fundraising, and acting as a liaison between management and the Board.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director
Professional qualifications	Executive MBA, Quantic School of Business and Technology, class of January 2026 Graduate Certificate in International Arbitration, National University of Singapore, 2022 LLB (HONS), University of London (External), 2009 Graduate Certificate in International Studies, University of Sydney, 2003 Bachelor of Arts (Professional Communications), RMIT University, 1997

Working experience and occupation(s) during the past 10 years	<p>October 2025 to Present: Executive Director Advanced Systems Automation Limited</p> <p>April 2025 to October 2025: Corporate Secretarial Manager Advanced Systems Automation Limited</p> <p>August 2024 to March 2025: Business and Communications Consultant Food Starter Pte Ltd</p> <p>March 2022 to July 2024: Chief Business Officer Vendr Bot Pte Ltd</p> <p>February 2019 to February 2022: Director, Sales and Marketing Kalms (S) Pte Ltd / Innovend Pte Ltd / Gozen Pte Ltd</p> <p>March 2014 to January 2019: Business Development Director Lieu Marketing Associates Pte Ltd</p>
Shareholding interest in the listed issuer and its subsidiaries	None
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
Conflict of interests (including any competing business)	None
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* including Directorships	
* "Principal Commitments" has the same meaning as defined in the Code	
Past (for the last 5 years)	None
Present	None
(w) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(x) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director	No

or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	
(y) Whether there is any unsatisfied judgment against him?	No
(z) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(aa) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(bb) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(cc) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(dd) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(ee) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or	No

temporarily enjoining him from engaging in any type of business practice or activity?	
(ff) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-	
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	
(gg) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	No. Ms Ng was appointed as a director recently in October 2025. As Ms Ng is a first-time director of an issuer listed on the Exchange, the Company will be making arrangements for Ms Ng to attend the relevant prescribed courses conducted by the Singapore Institute of Directors within one year from her date of appointment.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable

APPENDIX 2

ADVANCED SYSTEMS AUTOMATION LIMITED | ANNUAL REPORT 2024

DIRECTORS' STATEMENT

AND

AUDITED FINANCIAL STATEMENTS

Directors' Statement

Independent Auditors' Report

Consolidated Statement of Comprehensive Income

Statement of Financial Position

Consolidated Statement of Changes in Equity

Consolidated Cash Flow Statement

Notes to the Financial Statements

DIRECTORS' STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The directors present their statement to the members together with the audited consolidated financial statements of Advanced Systems Automation Limited (the "Company") and its subsidiaries (collectively, the "Group"), the statement of financial position and the statement of changes in equity of the Company for the financial year ended 31 December 2024.

1. Opinion of Directors

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2024. The financial performance, changes in equity and cash flows of the Group for the financial year ended 31 December 2024 are covered by the consolidated financial statements
- (b) at the date of this statement, based on the assumptions and measures undertaken as describe in Note 2.1 to the financial statements, there are reasonable grounds to believe that the Group and the Company will be able to pay its debts as and when they fall due for at least 12 months from the date the financial statements are authorised for issuance.

2. Directors

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

Ling Chung Yee
Chng Hee Kok
Lim Chen Chong
Kenneth Sng Min Hua
Hong Seong Soo
Ng Foong Han, Leena

3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of whose objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.

4. Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the share, warrants and debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 (the "Act"), except as disclosed below:

Holdings registered in the name of the Director or nominee

	At 1.1.2024	At 31.12.2024	At 21.1.2025
No. of ordinary shares of the Company – Advanced Systems Automation Limited			
Seah Chong Hoe (resigned on 19 June 2025)	1,166,667,000	44,871,807	44,871,807
Lim Chen Chong	-	153,864,155	153,864,155

Holdings in which a director is deemed to have an interest

	At 1.1.2024	At 31.12.2024	At 21.1.2025
No. of ordinary shares of the Company – Advanced Systems Automation Limited			
Seah Chong Hoe (resigned on 19 June 2025)	12,025,644	12,025,644	12,025,644
Lim Chen Chong	-	61,538,460	61,538,460

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

5. Share Options

There were no share options granted by the Company or its subsidiaries during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares under option in the Company or its subsidiaries as at the end of the financial year.

6. Audit Committee

The Audit Committee of the Company comprises three non-executive directors and at the date of this report, they are:

Chng Hee Kok (Chairman)
Ling Chung Yee
Lim Chen Chong

The Audit Committee ("AC") carried out its functions in accordance with section 201B (5) of the Act, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the Audit Committee:

- (i) Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors;
- (ii) Reviewed the annual financial statements and the independent auditors' report on the annual financial statements of the Group and the Company before their submission to the board of directors;
- (iii) reviewed the half-yearly and annual announcements as well as the related press releases on the results of the Group and financial position of the Group and of the Company;
- (iv) Reviewed effectiveness of the Group's and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;
- (v) Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- (vi) Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- (vii) Reviewed the cost effectiveness and the independence and objectivity of the external auditor;
- (viii) Reviewed the nature and extent of non-audit services provided by the external auditor, if any;
- (ix) Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;
- (x) Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate; and
- (xi) Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

The AC has also conducted a review of interested person transactions.

The AC convened four meetings during the year with full attendance from all members. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

7. Independent Auditor

The independent auditor, CLA Global TS Public Accounting Corporation, has expressed its willingness to accept reappointment.

On behalf of the Board of Directors

.....
Ling Chung Yee
Non-Executive Chairman

.....
Ng Foong Han
Executive Director

Singapore
28 November 2025

**Independent Auditor's Report to the Members of
Advanced Systems Automation Limited**

Report on the Audit of Financial Statements

Disclaimer of Opinion

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

We do not express an opinion on the accompanying consolidated financial statements of the Group. Because of the significance of the matters described in the Bases for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Bases for Disclaimer of Opinion

Inability to obtain sufficient information for the consolidated financial statements of the Group

As at the date of this report, management was unable to provide sufficient supporting information and documentation to substantiate the consolidation adjustments in the consolidated financial statements of the Group and we were unable to conduct a full review of the consolidated financial statements of the Group in their entirety.

Consequently, we were unable to ascertain the appropriateness of the carrying amounts of assets, liabilities, income, and expenses, as well as the adequacy of disclosures, in the consolidated financial statements of the Group for the financial year ended 31 December 2024.

Acquisition of LSO Group

On 2 August 2024, the Company completed the acquisition of 100% equity interest in LSO Organization Holdings Pte. Ltd. ("LSO OHPL"), which in turn holds Lim Shrimp Organization Ltd. ("LSO BVI") and LSO BVI held Lim Shrimp Org Sdn. Bhd ("LSOSB") as its subsidiary corporations (collectively, the "LSO Group"). The financial results of the LSO Group from the acquisition date have been included in the consolidated financial statements of the Group. As at acquisition date, goodwill amounting to S\$19,407,000 has been recognised as disclosed in Note 12 to the financial statements.

**Independent Auditor's Report to the Members of
Advanced Systems Automation Limited
(con'td)**

Report on the Audit of Financial Statements (cont'd)

***Bases for Disclaimer of Opinion* (cont'd)**

Acquisition of LSO Group (cont'd)

The Company has appointed an independent third-party valuer to perform the purchase price allocation ("PPA") exercise in respect of the acquisition. As at the date of our report, management has not provided the PPA report to us. Consequently, we were unable to obtain sufficient appropriate audit evidence regarding the fair value of the identifiable assets acquired, liabilities assumed, and any goodwill or bargain purchase arising from the acquisition.

In addition, goodwill must be tested for impairment at least annually, or where there are indicators of impairment. Where such indicators exist, the Group is required to estimate the recoverable amount of the asset or the cash-generating unit ("CGU") to which the asset belongs. As at reporting date, no impairment test was performed to estimate the recoverable amount of these assets. We were unable to obtain sufficient appropriate audit evidence to determine whether any impairment losses were required to be recognised for the financial year then ended.

Contributions of LSO Group

On 1 February 2024, the LSO Group and a related party, Lim Shrimp Aquapolis Pte Ltd ("LSA"), entered into a Letter of Transferring of Rights, under which the assets, liabilities, income and expenses relating to a non-related entity, previously transferred to LSA under a Letter of Understanding dated 23 January 2024 ("Letter of Understanding"), were reassigned to the LSO Group. As consideration, the advanced working capital funds provided by LSA to these non-related parties were to be returned to LSA upon completion of four crop cycles.

A Letter of Understanding dated 23 January 2024 established the framework for the arrangement between LSA and the above mentioned non-related parties. Under this letter of understanding, LSA advanced working capital funds to the non-related parties, which operate shrimp farms in Sumbawa, Indonesia. In return, the non-related parties assigned to LSA the economic benefits and risks of the business, including exclusive rights to operate the farms and control over the associated bank accounts.

Following the Letter of Transferring of Rights, the Group recognised the assets, liabilities, income and expenses arising from both agreements in the respective line items of the consolidated financial statements. As at 31 December 2024, the net liabilities and net loss amounted to approximately S\$1,355,000 and S\$59,000 respectively.

However, due to the limitation of scope imposed by the non-related entity, management was unable to obtain sufficient supporting information and documentation to substantiate the underlying financial information of the LSO Group at the acquisition date and for consolidation purposes for the financial year ended 31 December 2024.

**Independent Auditor's Report to the Members of
Advanced Systems Automation Limited
(con'td)**

Report on the Audit of Financial Statements (cont'd)

***Bases for Disclaimer of Opinion* (cont'd)**

Contributions of LSO Group (cont'd)

As a result, we were unable to obtain sufficient appropriate audit evidence to determine whether the assets and liabilities of the LSO Group were appropriately measured and recognised at the acquisition date. In addition, we were unable to ascertain the accuracy, classification and completeness of the carrying amounts of the LSO Group recorded in the consolidated financial statements for the financial year ended 31 December 2024.

Valuation of redeemable convertible notes

As disclosed in Note 20 to the financial statements, the Company had redeemable convertible notes amounting to S\$2,300,000 as at 31 December 2024.

The Company engaged a professional valuer to assess the fair value of these redeemable convertible notes as at 31 December 2024. However, the fair value assessment has not been completed as at the date of this report. As a result, we were unable to determine whether any adjustments to the carrying amounts or disclosures in the Group's consolidated financial statements for the financial year ended at 31 December 2024 would have been necessary.

Going concern

As disclosed in Note 2.1 to the financial statements, the Group incurred a net loss of S\$7,389,000 and generated a net operating cash outflow of S\$1,701,000 for the financial year ended 31 December 2024. As at that date, the Group and the Company were in net current liabilities positions of S\$17,129,000 and S\$19,880,000, respectively.

On 21 March 2025, the Company received a letter of demand ("1st Letter of Demand") from the lawyers of its former holding company, ASTI Holdings Limited ("ASTI"), requesting full repayment of the amounts allegedly owed by the Company for outstanding management fees and loans (the "Outstanding Amount"). On 4 August 2025, the Company filed a court application, HC/OA 801/2025 ("OA 801"), seeking to restrain ASTI from presenting a winding-up application in respect of the claims in the 1st Letter of Demand. The Company disputes that the Outstanding Amount is due and takes the position that the claims arose from sham transactions and agreements with ASTI. Following the filing of OA 801, ASTI offered to withdraw the 1st Letter of Demand on 25 August 2025, and the Company obtained Singapore Court's permission to withdraw and discontinue OA 801 on 3 September 2025.

**Independent Auditor's Report to the Members of
Advanced Systems Automation Limited
(con'td)**

Report on the Audit of Financial Statements (cont'd)

***Bases for Disclaimer of Opinion* (cont'd)**

Going concern (cont'd)

Subsequently, on 17 September 2025, the Company received a second letter of demand ("2nd Letter of Demand") from ASTI's lawyers, requesting full repayment of the Outstanding Amount, amounting to approximately S\$9,873,000 as at 31 July 2025, together with accrued and/or accruing interest up to the date of full settlement, to be paid within seven days from the date of the Second Letter of Demand. Accordingly, the Group and the Company have reclassified the related non-current liabilities as current liabilities as at 31 December 2024.

These conditions indicate the existence of material uncertainties that may cast significant doubt on the ability of the Group and the Company to continue as going concerns and to realise their assets and discharge their liabilities in the ordinary course of business.

Nevertheless, the Board of Directors of the Company believes that the use of the going concern assumption in the preparation of the financial statements for the financial year ended 31 December 2024 remains appropriate after considering the following assumptions and measures:

- (a) The deferment of the purchase consideration of approximately S\$4,600,000 relating to the acquisition of the LSO Group. The original repayment deadline was 6 months from the completion date of 2 August 2024, which would have fallen on 1 February 2025. Management has obtained an extension that allows the repayment of the consideration to be deferred to a date beyond the next 12 months.
- (b) The Company is contesting the alleged claims in the 2nd Letter of Demand. Accordingly, no cash outflow has been forecast for the full outstanding amount stated in the letter;
- (c) The subsidiary corporation, Emerald Precision Engineering Sdn. Bhd., is able to obtain bank facilities of up to approximately S\$1,417,000 (equivalent to MYR4,500,000); and
- (d) The Company has redeemable convertible notes amounting to S\$2,300,000 (the "Debt") which has matured on 31 October 2024. As disclosed in Note 33(d) to the financial statements, on 14 November 2025, management has obtained a debt settlement agreement from the notes holder that the notes holder agreed not to demand for the immediate payment of the Debt from the Company. The notes holder further agreed to stay and refrain from instituting, pursuing or enforcing any legal proceedings or demands in relation to the Debt, until the next round of proposed note issuance, on or before the extended fulfilment date on 3 February 2026.

**Independent Auditor's Report to the Members of
Advanced Systems Automation Limited
(con'td)**

Report on the Audit of Financial Statements (cont'd)

Bases for Disclaimer of Opinion (cont'd)

Going concern (cont'd)

In our evaluation of the assumptions and measures underlying the cashflow forecast, these events and conditions collectively indicate the existence of material uncertainties that may cast significant doubt on the Group's and Company's ability to continue as going concerns.

As at the date of this report, we were unable to obtain sufficient appropriate audit evidence regarding the likelihood of the outcome of the assumptions. Accordingly, we were unable to form an opinion as to whether the use of the going concern basis of accounting in the preparation of the accompanying financial statements is appropriate.

In the event that the Group and the Company are unable to continue in operational existence in the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to realise other than in the amounts at which they are currently recorded in the statement of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The financial statements do not include any adjustment which may arise from these uncertainties.

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 FRSS, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

**Independent Auditor's Report to the Members of
Advanced Systems Automation Limited
(con'td)**

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the consolidated financial statements of the Group and the statement of financial position of the Company in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Bases for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matters referred to in the Bases for Disclaimer of Opinion section of our report, we do not express an opinion on whether 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 director on the audit resulting in this independent auditor's report is Hock Xiu Min, Sandy.

**CLA Global TS Public Accounting Corporation
Public Accountants and Chartered Accountants**

Singapore

28 November 2025

ADVANCED SYSTEMS AUTOMATION LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Note	2024 S\$'000	2023 S\$'000
Revenue	4	17,094	12,928
Cost of sales		<u>(12,407)</u>	<u>(8,913)</u>
Gross profit		4,687	4,015
Other income	6	144	137
Other expenses:			
- Selling and marketing costs		(476)	(730)
- General and administrative costs		(8,725)	(4,307)
- Finance costs, net	5	(965)	(804)
- Other expenses, net		<u>(1,712)</u>	<u>(1,988)</u>
(Loss)/profit before income tax	8	(7,047)	(3,677)
Income tax expense	9	<u>(342)</u>	<u>(340)</u>
(Loss)/profit for the year		<u><u>(7,389)</u></u>	<u><u>(4,017)</u></u>
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		<u>(120)</u>	<u>(506)</u>
Total comprehensive loss for the year, attributable to owners of the Company		<u><u>(7,509)</u></u>	<u><u>(4,523)</u></u>
(Loss)/earning per share (cents per share)			
- Basic and diluted	10	<u><u>(1.33)</u></u>	<u><u>(0.715)</u></u>

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

ADVANCED SYSTEMS AUTOMATION LIMITED AND ITS SUBSIDIARIES

**STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Note	2024 S\$'000	Group 2023 S\$'000	2024 S\$'000	Company 2023 S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	6,495	6,354	11	-
Intangible assets	12	19,407	-	-	-
Right-of-use assets	21	853	495	-	-
Investments in subsidiaries	13	-	-	33,422	10,494
		<u>26,755</u>	<u>6,849</u>	<u>33,433</u>	<u>10,494</u>
Current assets					
Inventories	14	538	809	-	-
Trade and other receivables	15	3,925	4,386	792	2,332
Prepayments and advances	16	76	260	34	8
Cash and bank balances	17	4,737	4,251	1,292	34
Tax recoverable		<u>123</u>	<u>138</u>	<u>-</u>	<u>-</u>
		<u>9,399</u>	<u>9,844</u>	<u>2,118</u>	<u>2,374</u>
LIABILITIES					
Current liabilities					
Other liabilities	18	2,009	1,801	907	659
Trade and other payables	19	20,614	5,174	18,791	5,721
Convertible notes	20	2,300	2,587	2,300	2,587
Contract liabilities		68	149	-	-
Income tax payable		135	66	-	-
Lease liabilities	21	36	187	-	-
Bank overdraft	22	745	682	-	-
Loans and borrowings	22	<u>621</u>	<u>662</u>	<u>-</u>	<u>-</u>
		<u>26,528</u>	<u>11,308</u>	<u>21,998</u>	<u>8,967</u>
Net current liabilities		(17,129)	(1,464)	(19,880)	(6,593)
Non-current liabilities					
Trade and other payables	19	1,225	10,765	1,225	10,765
Lease liabilities	21	333	52	-	-
Loans and borrowings	22	1,046	1,339	-	-
Deferred tax liabilities	9	<u>545</u>	<u>478</u>	<u>-</u>	<u>-</u>
		<u>3,149</u>	<u>12,634</u>	<u>1,225</u>	<u>10,765</u>
Net assets/(liabilities)		<u>6,477</u>	<u>(7,249)</u>	<u>12,328</u>	<u>(6,864)</u>
EQUITY					
Share capital	23	169,846	148,841	169,846	148,841
Foreign currency translation reserve	24	(1,170)	(1,050)	-	-
Other reserves	24	(2,136)	(2,136)	-	-
Accumulated losses		<u>(160,293)</u>	<u>(152,904)</u>	<u>(157,518)</u>	<u>(155,705)</u>
		6,247	(7,249)	12,328	(6,864)
Non-controlling interests		<u>230</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equity		<u>6,477</u>	<u>(7,249)</u>	<u>12,328</u>	<u>(6,864)</u>

The accompanying notes form an integral part of and should be read in conjunction with these financial statement

ADVANCED SYSTEMS AUTOMATION LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

<u>Group</u>	Attributable to owners of the Company				
	Share capital S\$'000	Accumulated losses S\$'000	Merger reserve S\$'000	Foreign currency translation reserve S\$'000	Non-Controlling Interests S\$'000
At 1 January 2023	148,841	(148,887)	(2,136)	(544)	-
Loss for the financial year	-	(4,017)	-	-	(2,726)
Exchange differences on translating foreign operations	-	-	-	(506)	-
Total comprehensive loss for the year	-	(4,017)	-	(506)	(4,523)
At 31 December 2023	148,841	(152,904)	(2,136)	(1,050)	(7,249)
Issue of shares	21,005				-
Loss for the financial year	-	(7,389)	-	-	-
Exchange differences on translating foreign operations	-	-	-	(120)	-
Total comprehensive loss for the year		(7,389)		(120)	-
Non-controlling interests					230
At 31 December 2024	169,846	(160,293)	(2,136)	(1,170)	230
					6,477

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

ADVANCED SYSTEMS AUTOMATION LIMITED AND ITS SUBSIDIARIES

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2024**

<u>Company</u>	Share capital S\$'000	Accumulated losses S\$'000	Total S\$'000
At 1 January 2023	148,841	(150,753)	(1,912)
Loss for the year	-	(4,952)	(4,952)
At 31 December 2023	148,841	(155,705)	(6,864)
Loss for the year	-	(4,741)	(4,741)
At 31 December 2024	169,846	(157,518)	(12,328)

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

ADVANCED SYSTEMS AUTOMATION LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Note	2024 S\$'000	2023 S\$'000
Operating activities			
(Loss)/profit before income tax		(7,047)	(3,677)
Adjustments for:			
Depreciation of property, plant and equipment	11	877	810
Depreciation of right-of-use assets	21	132	138
Gain on disposal of property, plant and equipment		(47)	(28)
Gain on disposal of intangible assets	6	-	-
Amortisation of intangible assets	12	-	230
Impairment of intangible assets	12	-	1,901
Fair value (gain) / loss on convertible notes	20	(287)	87
Allowance for/(write-back of) trade receivables, net	28	1,701	12
Write-back of stock obsolescence	14	(4)	(2)
Interest income	5	(38)	(47)
Interest expense	5	982	838
Effect of unrealised exchange gain		470	(365)
Operating cash flows before changes in working capital		(3,261)	(103)
Changes in working capital:			
- Trade and other receivables and prepayment and advances		(6,466)	(277)
- Inventories		312	152
- Trade and other payables, contract liabilities and other liabilities		7,980	661
Cash flows generated from operations		(1,435)	433
Interest received		38	31
Income tax paid		(304)	(218)
Net cash flows generated from operating activities		(1,701)	246
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,023)	(660)
Issuance of bridging loan		123	(2,000)
Proceeds from disposal of property, plant and equipment		-	71
Proceeds from disposal of intangible asset		-	-
Net cash flows used in investing activities		(900)	(2,589)
Cash flows from financing activities			
Net proceeds from issuance of rights shares		2,105	-
Payment of principal portion of lease liabilities		(140)	(212)
Proceed from convertible loan note		2,000	2,500
Repayments of bank borrowings		(907)	(1,084)
Proceeds from bank borrowings		521	908
Interest paid		(304)	(144)
Net cash flows generated from/(used in) financing activities		3,275	1,968
Net (decrease)/increase in cash and cash equivalents		674	(375)
Cash and cash equivalents at beginning of the year		3,569	3,678
Effects of exchange rate changes on cash and cash equivalents		(251)	266
Cash and cash equivalents at end of the year	17	3,992	3,569

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

ADVANCED SYSTEMS AUTOMATION LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

Reconciliation of liabilities arising from financing activities:

	At beginning of financial year S\$'000	Financing cash flows S\$'000	Non-cash item					At end of financial year S\$'000
			Acquisition S\$'000	Corporate support services and others S\$'000	Reclassification S\$'000	Interest expenses S\$'000	Foreign exchange movement S\$'000	
2024								
Liabilities								
Loans and borrowings								
(Excluding bank overdraft)	2,001	(566)	-	-	-	356	(124)	1,667
Lease liabilities	239	(235)	333	-	-	8	24	369
Loans due to a shareholder	2,049	-	-	(513)	-	89	-	1,625
Convertible notes	2,587	-	-	287	-	-	-	2,300
Amount due to a related party	318	-	-	-	-	-	(23)	295
Amount due to a corporate shareholder	11,009	-	-	(1,892)	-	469	-	9,586
2023								
Liabilities								
Loans and borrowings								
(Excluding bank overdraft)	2,193	(176)	-	-	-	94	(110)	2,001
Lease liabilities	318	(212)	171	-	-	11	(49)	239
Loans due to a shareholder	1,960	-	-	-	-	89	-	2,049
Convertible notes	-	2,500	-	87	-	-	-	2,587
Amount due to a related party	637	-	-	-	(299)	-	(20)	318
Amount due to a corporate shareholder	9,958	-	-	158	299	594	-	11,009

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

1. General

Advanced Systems Automation Limited (the “Company”) was incorporated and domiciled in Singapore on 10 April 1986. The Company was admitted to the Official List of Stock Exchange of Singapore Dealing and Automated Quotation System on 22 July 1996 and was transited to a listing on Catalist with effect from on 4 January 2010.

The registered office of the Company and principal place of the business is located at 16 Kallang Place, #03-01/02, Singapore 339156.

The principal activities of the subsidiaries are disclosed in Note 13.

The consolidated financial statements of the Group for the financial year ended 31 December 2024 and the statement of financial position and changes in equity of the Company as at 31 December 2024 were authorised for issue by the Board of Directors at the date of the Directors’ Statement.

2. Material Accounting Policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2024

On 1 January 2024, the Group adopted the new or amended SFRS(I) and Interpretations of SFRS(I) (“INT SFRS(I)”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Going concern basis

The Group’s and the Company’s net assets were S\$6,477,000 (2023: S\$7,249,000) and S\$12,328,000 (2023: S\$6,864,000) respectively. However, the Group and Company’s current liabilities exceeded its current assets by S\$17,129,000,000 (2023: S\$1,464,000) and S\$19,880,000 (2023: S\$6,593,000) respectively. In addition, the Group incurred a net loss of

S\$7,389,000 (2023: net loss S\$4,017,000) and generated a net operating cash outflow of S\$1,701,000,000 (2023: inflow of S\$246,000) for the financial year ended 31 December 2024. These conditions cast doubt on the appropriateness of the going concern assumption used by the Group and the Company.

Notwithstanding the above, the financial statements have been prepared on a going concern basis as the board of directors are confident that the Group will generate positive cash flow based on a cash flow projection of twenty-four months from the end of the financial year prepared by management.

In preparing the cash flow projection, the Group has taken the following into consideration:

- (i) The deferment of the purchase consideration of approximately S\$4,600,000 in relation to the acquisition of LSO Group. The agreed repayment of the full consideration was within six months from the completion date of 2 August 2024, which would have fallen on 1 February 2025. Management has obtained an extension, allowing the consideration payment being deferred to a date beyond the next 12 months.
- (ii) The Company is contesting the alleged claims in the second Letter of Demand. Accordingly, no cash outflow has been forecast for the full outstanding amount stated in the Letter of Demand; and
- (iii) The subsidiary corporation, Emerald Precision Engineering Sdn Bhd, is able to obtain bank facilities of up to approximately S\$1,417,000 (equivalent to MYR4,500,000).
- (iv) The Company has redeemable convertible notes amounting to S\$2,300,000 (the "Debt") which has matured on 31 October 2024. As disclosed in Note 33(d) to the financial statements, on 14 November 2025, management has obtained a debt settlement agreement from the notes holder that the notes holder agreed not to demand for the immediate payment of the Debt from the Company. The notes holder further agreed to stay and refrain from instituting, pursuing or enforcing any legal proceedings or demands in relation to the Debt, until the next round of proposed note issuance, on or before the extended fulfilment date on 3 February 2026.

Based on the above, the board of directors has assessed and are of the view that it is appropriate that the financial statements of the Group and Company be prepared on a going concern basis.

If the Group and the Company were unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities respectively. No such adjustments have been made to these financial statements.

2.2 Revenue Recognition

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

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Fabrication assembly of parts

The Group provides precision engineering and fabrication assembly of parts for semi-conductor, consumer products and business equipment industries, which are reportable under Equipment Contract Manufacturing Services ("ECMS") segment (Note 31).

Revenue is recognised when the goods are delivered to the customer. Certain revenue recognition is based on criteria for customer acceptance.

(b) Aquaculture

The Group is also involved in the management and operation of, and the licensing of operational know-how and expertise to aquaculture farms, reportable under the Aquaculture segment (Note 31). Revenue is recognized when services are rendered. The transaction price allocated to these services is recognized as income when the Company's performance obligations for that month are fulfilled. Variable share of profit is recognized when the entitlement is established, the amount can be reliably measured, and it is highly probable that a significant reversal of revenue will not occur. Revenue is measured at the fair value of consideration received or receivable, net of discounts and applicable taxes.

(b) Interest income

Interest income is recognised using the effective interest method.

2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

Non-monetary government grant is recognised at nominal amount.

2.4 Basis of Group Accounting

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cash flow relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

2.5 Business Combinations

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

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* ("SFRS(I) 9") or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

The acquisition of subsidiaries is accounted for using the acquisition method when the acquired set of activities and assets constitute a business. When determining the acquired set of activities and assets constitute a business, the Group assesses whether the acquired set of activities and assets includes, at a minimum, an input and substantive process, which together contribute to the creation of outputs.

The Group has the option to apply a "concentration test" as a simplified assessment to determine whether an acquired set of activities and assets is not a business. The Group makes the election separately for each transaction or other event. The 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 cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group determines whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share in the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are recognised in profit or loss as incurred and included in administrative expenses.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 *Business Combinations* ("SFRS(I) 3") are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 *Non-Current Assets Held for Sale and Discontinued Operations* ("SFRS(I) 5"), which are recognised and measured at the lower of cost and fair value less costs to sell.

The Group recognises any contingent consideration to be transferred for the acquiree at the fair value on the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement shall be accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary or jointly controlled entity.

2.6 Property, Plant and Equipment

(a) *Measurement*

(i) *Property, plant and equipment*

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) *Components of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) *Depreciation*

Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Factory buildings	50 years
Leasehold land	50 to 70 years or shorter of remaining leases terms and economic life
Machinery	5 to 10 years
Air conditioners	5 to 10 years
Computers	3 to 10 years
Other assets	3 to 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

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

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other Income".

2.7 Intangible assets

(a) Goodwill

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

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

Gains and losses on the disposal of subsidiaries, joint ventures and associates include the carrying amount of goodwill relating to the entity sold.

(b) Acquired customer relationships

Customer relationships acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 7 years, which is based on the expected pattern of consumption of future economic benefits embodied in the asset.

2.8 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2.9 Impairment of tangible and intangible assets excluding goodwill

The Group reviews the carrying amounts of its non-financial assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flow 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.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.10 Investment in subsidiary corporations, associated companies and joint ventures

Investments in subsidiary corporations, associated companies and joint ventures are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.11 Financial assets

(a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through profit or loss (FVPL).

The classification of debt instruments depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

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

At subsequent measurement

(i) Debt instrument

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables, listed and unlisted debt securities.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- **Amortised cost:** Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- **FVPL:** Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains and losses".

(ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains and losses", except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains/losses" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "dividend income".

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by SFRS (I)9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on

which the Company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

2.12 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.13 Leases

When the Group is the lessee:

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

- **Right-of-use assets**

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

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

- **Lease liabilities**

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

Lease payments include the following:

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

For a contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone prices of the lease and non-lease components. The Group has elected to not separate lease and non-lease components for property leases and account these as one single lease component.

Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.

Lease liabilities are remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- **Short term and low value leases**

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

- **Variable lease payments**

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and conditions are accounted for as follows:

(a) Fabrication of tooling, dies and related moulding of spare parts and other related businesses

- Raw materials – purchase cost is stated at the lower of cost and net realisable value. Cost is calculated using the first-in first-out method. Costs to be incurred in cost of sales according to the nature of the subsidiaries' operations;
- Finished goods and work-in-progress – costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

(b) Manufacturing of die-casting products and plastic products

- Raw materials, spare parts and consumables – cost is stated at the lower of cost and net realisable value. Cost is calculated using the first-in first-out method; which approximates actual cost and include cost of purchase and other directly attributable costs of acquisition;
- Finished goods and work-in-progress – costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

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

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

2.15 Provisions

Provisions for warranty, restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Restructuring provisions comprise employee termination payments. Provisions are not recognised for future operating losses.

The Group recognises the estimated liability to repair or replace products still under warranty at the balance sheet date. This provision is calculated based on historical experience of the level of repairs and replacements.

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.16 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore and Malaysia companies in the Group

make contributions to the Central Provident Fund scheme in Singapore, or Employees Provident Fund in Malaysia respectively. These are defined contribution pension schemes. Contributions to these schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period. The liability for leave expected to be settled beyond twelve months from the end of the reporting period is determined using the projected unit credit method. The net total of service costs, net interest on the liability and remeasurement of the liability are recognised in profit or loss.

(c) Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment. A liability and expense for a termination benefits is recognised at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognises related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employment benefits, short-term employee benefits, or other long-term employee benefits.

2.17 Currency translation

a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars ("SGD" or "\$"), which is the functional currency of the Company.

b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "Finance expense". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other income".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i. assets and liabilities are translated at the closing exchange rates at the reporting date;
- ii. income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- iii. all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.18 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, demand deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.19 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.21 Borrowings

Borrowings are presented as current liabilities unless, at the end of the reporting period, the Group has the right to defer settlement of the liability for at least 12 months after the reporting period, in which case they are presented as non-current liabilities.

Covenants that the Group is required to comply with on or before the end of the reporting period are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

(a) Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(b) Convertible bonds

The total proceeds from convertible bonds issued are allocated to the liability component and the equity component, which are separately presented on the balance sheet.

The liability component is recognised initially at its fair value, determined using a market interest rate for equivalent non-convertible bonds. It is subsequently carried at amortised cost using the effective interest method until the liability is extinguished on conversion or redemption of the bonds.

The difference between the total proceeds and the liability component is allocated to the conversion option (equity component), which is presented in equity net of any deferred tax effect. The carrying amount of the conversion option is not adjusted in subsequent periods. When the conversion option is exercised, its carrying amount is transferred to the share capital. When the conversion option lapses, its carrying amount is transferred to retained profits.

2.22 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

3. Critical accounting estimates, assumptions and judgements

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

3.1 Critical judgements made in applying the Group's and the Company's accounting policies

Management is of the opinion that there are no critical judgements (other than those involving estimates) that have a significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of goodwill and customer relationships

As disclosed in Note 12 to the financial statements, the recoverable amount of the cash generating unit which goodwill and customer relationships have been allocated to are determined based on value-in-use calculations that were computed based on discounted cash flow model. The recoverable amount was most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions applied in the determination of the value-in-use including a sensitivity analysis, were disclosed and further explained in Note 12 to the financial statements.

The carrying amount of the Group's goodwill and customer relationships as at 31 December 2024 are S\$19,407,000 and S\$NIL (2023: S\$Nil and S\$Nil) (Note 12) respectively.

(b) Measurement of ECL of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to the days past due by grouping of customers based on geographical region. The expected credit losses below also incorporate forward-looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The carrying amount of the Group's trade receivables as at 31 December 2024 were approximately S\$3,551,000 (2023: S\$2,171,000) (Note 15).

(c) Impairment of investments in subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments are impaired or that an impairment loss recognised in prior periods may no longer exist or may have decreased. Where applicable, the Company's determination of the recoverable value is based on the estimation of the value-in-use of the applicable assets as defined in SFRS(I) 1-36 *Impairment of Assets* by forecasting the expected future cash flow for a period up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flow. In determining the value-in-use, the Company has considered the expected and estimated impact on the key inputs, including the discount rate and growth rate, as well as key assumptions applied. The Company's carrying amount of investments in subsidiaries as at 31 December 2024 was S\$33,422,000 (2023: S\$10,494,000) (Note 13).

(d) Inventories written down

The Group assesses at the end of each reporting period whether there is any objective evidence that its inventories are impaired. If there is objective evidence of impairment, the amount of the loss is measured as the difference between the asset's carrying amount and the net realisable value of the asset. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The carrying amount of the Group's inventories as at 31 December 2024 was S\$538,000 (2023: S\$809,000) (Note 14).

(e) Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. Management estimates the useful lives of property, plant and equipment to be within 1 to 10 years. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amounts of the Group's property, plant and equipment as at 31 December 2024 were S\$6,495,000 (2023: S\$6,354,000) (Note 11).

(f) Provision for income taxes

The Group has exposure to income taxes in two jurisdictions of which a portion of these taxes arose from certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's income tax payable, deferred tax liabilities and tax recoverable as at 31 December 2024 were S\$135,000 (2023: S\$66,000), S\$545,000 (2023: S\$478,000) and S\$123,000 (2023: S\$138,000) respectively.

4. Revenue

(a) Disaggregation of revenue

	Group Equipment contract manufacturing services ("ECMS")	
	2024 S\$'000	2023 S\$'000
Primary geographical markets		
Asia	17,027	12,846
America	44	62
Others	23	20
	<u>17,094</u>	<u>12,928</u>
Timing of transfer of goods or services		
At a point in time	<u>17,094</u>	<u>12,928</u>

(b) *Contract balances*

	2024	Group	2022
	S\$'000	2023	S\$'000
		S\$'000	
Current			
Contract liabilities	<u>68</u>	<u>149</u>	<u>122</u>

Contract liabilities primarily relate to the Group's obligation to transfer goods to customers for which the Group has received advances from customers for ECMS Segment. Contract liabilities are recognised as revenue when the Group completes their obligation for the sale. Significant changes in contract liabilities balances during the period are as follow.

	2024	Group	2023
	S\$'000		S\$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	149		122
Due to cash received excluding amount recognised as revenue during the year	<u>68</u>		<u>149</u>

The Group has applied the practical expedient permitted under SFRS(I) 15 for those performance obligations which are part of contracts that have an original expected duration of one year or less (i.e. mainly from manufacturing of die-casting and plastic products and fabrication assembly of parts due to the nature of the transactions). In addition, variable consideration that is constrained has not been included in the above financial information.

5. Finance costs, net

	2024	Group	2023
	S\$'000		S\$'000
Interest income in respect of:			
- deposits with banks and financial institutions	38		31
- bridging loan	<u>-</u>		<u>16</u>
	<u>38</u>		<u>47</u>
Interest expenses in respect of:			
- bank borrowings	(365)		(94)
- bank overdraft	(50)		(50)
- leases liabilities	(9)		(11)
- amount due to a corporate shareholder	(469)		(594)
- loans due to a shareholder	<u>(90)</u>		<u>(89)</u>
Total	<u>(983)</u>		<u>(838)</u>
Bank charges	<u>(20)</u>		<u>(13)</u>
Total finance cost, net	<u>(965)</u>		<u>(804)</u>

6. Other income

		2024	Group	2023
	Note	S\$'000		S\$'000
Gain on disposal of property, plant and equipment		47		49
Government grant		1		17
(Impairment loss on)/write-back of trade receivables, net	28	(10)		(12)
Net foreign exchange gain		28		66
Others		78		17
		<u>144</u>		<u>137</u>

7. Employee benefits expense

		2024	Group	2023
		S\$'000		S\$'000
Salaries and bonuses		2,411		4,334
Employer's contribution to defined contribution plans		194		418
Other benefits		58		113
		<u>2,663</u>		<u>4,865</u>

8. (Loss)/profit before income tax

In addition to the (charges)/credits disclosed elsewhere in the notes to the financial statements, the above includes the following (charges)/credits:

	Note	2024 S\$'000	Group 2023 S\$'000
Depreciation of property, plant and equipment	11	(877)	(810)
Depreciation of right-of-use assets	21	(132)	(138)
Amortisation of intangible assets	12	-	(230)
Impairment of intangible assets	12	-	(1,901)
Fair value loss on convertible notes	20	287	(87)
Write-back of stock obsolescence	14	10	2
Audit fees:			
- Auditors of the Group		(193)	(161)
- Other auditors		(36)	(50)
Consultancy fees		(4,314)	(770)

9. Income tax expense

The major components of income tax expense for the years ended 31 December 2024 and 2023 are:

	2024 S\$'000	Group 2023 S\$'000
Current tax expense		
- current income tax	405	244
- under/(over) provision in respect of prior years	1	14
	<u>406</u>	<u>258</u>
Deferred tax expense/(income)		
- origination and reversal of temporary difference	<u>28</u>	<u>82</u>
Income tax expense	<u>434</u>	<u>340</u>

Reconciliation of effective tax rate is as follows:

	Group	
	2024	2023
	S\$'000	S\$'000
(Loss)/profit before income tax	(7,046)	(3,677)
Tax calculated at a tax rate of 17% (2023: 17%)	(1,198)	(625)
Adjustments:		
- Expenses not deductible for tax purposes	1,178	467
- Income not subject to tax	(54)	(15)
- Differential tax rate of Malaysia subsidiaries	98	56
- Deferred tax asset not recognised	448	443
Reversal of temporary difference	(22)	-
- Tax exemption	(17)	-
- Tax losses not available for future utilisation	-	-
- Under/(over) provision in respect of prior years	1	14
Income tax expense	<u>432</u>	<u>340</u>

Deferred tax liabilities

	Statement of financial position	
	2024	2023
	S\$'000	S\$'000
- Acquisition of subsidiaries	-	75
- Differences in depreciation	577	473
- Inventories written down	-	(5)
- Provision of staff related costs	(106)	(64)
- Others	74	(1)
Net deferred tax liabilities	<u>545</u>	<u>478</u>

	Income statement	
	2024	2023
	S\$'000	S\$'000
- Acquisition of subsidiaries	-	39
- Differences in depreciation	(96)	(121)
- Others	68	-
Deferred tax (expense)/benefit	<u>(28)</u>	<u>(82)</u>

At the end of the reporting period, there are no deferred tax liabilities on net investment in subsidiaries.

10. (Loss)/earnings per share

Basic and diluted (loss)/earnings per share is calculated by dividing the loss or profit for the year by the weighted average number of ordinary shares outstanding during the financial year.

The following tables reflect the income and share data used in the computation of basic and diluted (loss)/earnings per share for the years ended 31 December 2024 and 2023.

	2024 S\$'000	Group 2023 S\$'000
(Loss)/profit after income tax for basic and diluted earning/(loss)per share	<u>(7,481)</u>	<u>(4,017)</u>
Weighted average number of ordinary shares in issue applicable to basic and diluted (loss)/earning per share ('000)	<u>561,515</u>	<u>561,515</u>

The comparative for the year ended 31 December 2023 was adjusted retrospectively based on weighted average number of shares in issue of 561,515, following the completion of the Company's share consolidation exercise in June 2024, and rights issue exercise in December 2024.

Diluted loss per share for the year ended 31 December 2024 is the same as the basic loss per share because the potential ordinary shares to be converted are anti-dilutive. Diluted loss per share for the year ended 31 December 2023 is the same as the basic earnings per share because there are no ordinary shares to be converted.

11. Property, plant and equipment

Other assets comprise renovation, furniture and fittings, motor vehicles and office equipment.

11. Property, plant and equipment

<u>Group</u>	<u>Freehold land* and buildings</u> S\$'000	<u>Leasehold land and buildings</u> S\$'000	<u>Machinery</u> S\$'000	<u>Air conditioner</u> S\$'000	<u>Computers</u> S\$'000	<u>Other assets</u> S\$'000	<u>Total</u> S\$'000
Cost							
At 1 January 2023	1,144	3,848	10,260	116	382	576	16,326
Currency realignment	(72)	(227)	(554)	(7)	(23)	(35)	(918)
Additions	-	9	620	8	22	1	660
Disposals	-	-	(350)	-	-	-	(350)
At 31 December 2023	1,072	3,630	9,976	117	381	542	15,718
Currency realignment	72	175	513	8	18	33	819
Additions	-	64	586	12	93	33	788
Disposals	-	-	(1,767)	(8)	(125)	(62)	(1,962)
Written off							
At 31 December 2024	1,144	3,869	9,308	129	367	546	15,363
Accumulated depreciation and impairment loss							
At 1 January 2023	261	418	7,729	109	314	559	9,390
Currency realignment	(17)	(13)	(426)	(6)	(18)	(49)	(529)
Charge for the year	15	47	698	4	34	12	810
Disposals	-	-	(307)	-	-	-	(307)
At 31 December 2023	259	452	7,694	107	330	522	9,364
Currency realignment	18	(234)	411	7	14	32	248
Charge for the year	14	68	740	7	35	11	875
Disposals			(1,624)	(8)	(125)	(62)	(1,819)
At 31 December 2024	291	286	7,221	113	254	503	8,668
Net book value							
At 31 December 2024	853	3,583	2,087	16	113	43	6,495
At 31 December 2023	813	3,178	2,282	10	51	20	6,354

12. Intangible assets

<u>Group</u>	<u>Goodwill</u> <u>S\$'000</u>	<u>Customer</u> <u>relationships</u> <u>S\$'000</u>	<u>Total</u> <u>S\$'000</u>
Cost			
At 1 January 2023	1,462	1,607	3,069
Impairment	(1,462)	(1,607)	(3,069)
At 31 December 2023	-	-	-
Acquisition of a subsidiary	19,407	-	19,407
At 31 December 2024	19,407	-	19,407
Accumulated amortisation and impairment			
At 1 January 2023	-	938	938
Charge for the year	-	230	230
Impairment	-	(1,168)	(1,168)
At 31 December 2023	-	-	-
Charge for the year	-	-	-
At 31 December 2024	-	-	-
Net book value			
At 31 December 2024	19,407	-	19,407
At 31 December 2023	-	-	-

Impairment testing of goodwill

The Group recognized a goodwill of S\$19,407,000 following the acquisition of new subsidiary LSO Organization Holdings Pte. Ltd. on 2 August 2024.

The Group tests whether goodwill has suffered any impairment on an annual basis. For 2024 and 2023 reporting periods, the recoverable amount of the cash-generating units ("CGU") is determined based on value-in-use calculations which require the use of assumptions. The recoverable amount of LSO Organization Holdings Pte. Ltd. CGU had been determined based on the value-in-use calculation using a cash flow projection from financial budget approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow projections beyond the five-year period are as follows.

	2024 %	2023 %
Revenue growth rate	23.6 - 81.8	5.2 - 60.0
Gross profit margin	46.3 - 59.9	8.2 - 24.2
Pre-tax discount rate	12.18 - 13.84	12.05 - 13.71
Terminal growth rates	1.5 - 2.5	1.5 - 2.5

Key assumptions used in the value-in-use calculations

The calculation of value-in-use for the CGU is most sensitive to the following assumptions:

- (a) Budgeted gross margins is based on past performance and management's expectation of market developments.
- (b) Budgeted sales growth and terminal growth rate is based on industry growth forecasts and not exceeding the average long-term growth rate of the business segment which the CGU operates in.
- (c) Pre-tax discount rate is based on the discounted rates were pre-tax and reflected specific risks relating to the business segments which the CGU operates in.

13. Investments in subsidiaries

	<u>Company</u>	
	2024	2023
	S\$'000	S\$'000
Unquoted shares, at cost	33,422	13,422
Impairment losses	-	(2,928)
	<u>33,422</u>	<u>10,494</u>

Movement in allowance for impairment of investments

	<u>Company</u>	
	2024	2023
	S\$'000	S\$'000
At 1 January	-	324
Impairment losses	-	2,928
Written off	-	(324)
At 31 December	<u>-</u>	<u>2,928</u>

During the year, management had performed impairment assessment on certain subsidiaries which had been loss-making. The recoverable amount of Yumei Group CGU had been determined based on the value-in-use calculations using a cash flow projection from financial budget approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow projections beyond the five-year period is as stated in Note 12. Based on the assessment of the subsidiaries' historical and current performances, the estimated values and probability of future cash flows, management had made an impairment charge of S\$NIL (2023: S\$2,928,000) in the current financial year.

The management had written off the investment in Advanced Systems Automation, Inc. which had been previously fully impaired as it has been struck off on 24 April 2023.

The Group has the following significant investments in subsidiaries:

<u>Name of the entity</u>	<u>Principal activities</u>	<u>Country of business/ Incorporation</u>	<u>Proportion of ownership interest held by the Company</u>	
			<u>2024</u> %	<u>2023</u> %
<u>Held by the Company</u>				
Emerald Precision Engineering Sdn Bhd	Fabrication of tooling, dies and related moulding of spare parts and other related businesses	Malaysia ²	100	100
Pioneer Venture Pte Ltd	Contract manufacturing solutions of fabricated metal products	Singapore ¹	100	100

<u>Name of the entity</u>	<u>Principal activities</u>	<u>Country of business/ incorporation</u>	<u>Proportion of ownership interest held by the Company</u>	
			<u>2024</u> %	<u>2023</u> %
<u>Held by the Company</u>				
Yumei Technologies Sdn Bhd	Manufacturing of die-casting products and plastic products	Malaysia ⁽²⁾	100	100
Yumei REIT Sdn Bhd	Investment holdings	Malaysia ⁽²⁾	100	100
LSO Organization Holdings Pte Ltd	Aquaculture management	SE Asia / Singapore	100	-

The above list excludes subsidiaries that are insignificant to the operations of the Group.

(1) Audited by CLA Global TS Public Accounting Corporation, Singapore.

(2) Audited by Robert Mengkwai & Loo PLT and reviewed by CLA Global TS Public Accounting Corporation, Singapore for consolidation purposes.

14. Inventories

	<u>Group</u>	
	<u>2024</u> S\$'000	<u>2023</u> S\$'000
Statement of financial position		
Raw materials	49	64
Work-in-progress	334	410
Finished goods (at lower of cost and net recognised value)	155	335

	538	809
	Group	
	2024	2023
	S\$'000	S\$'000
Consolidated statement of profit or loss		
Inventories recognised as an expense in cost of sales	4,337	4,679
Inclusive of the following credit:		
- Reversal of write-down of inventories	(10)	(2)

The reversal of write-down of inventories was made when the related inventories were sold above their carrying amounts in the following financial year.

15. Trade and other receivables

	Group		Company	
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
Trade receivables				
- Third parties	5,253	2,193	-	-
Less: loss allowance	(1,701)	(22)	-	-
	3,552	2,171	-	-
Other receivables				
- Amounts due from subsidiaries	-	-	94	303
- Deposits	39	50	-	-
- Bridging loan	-	2,016	-	2,016
- Other receivables	334	149	121	13
Less: Loss allowance	-	-	-	-
	373	2,215	215	2,332
Trade and other receivables	3,925	4,386	215	2,332

Trade receivables are non-interest bearing and are generally settled within 30 to 90 days (2023: 30 to 90 days) credit terms. They are recognised at their original invoice amounts which represent their fair value on initial recognition.

The amounts due from subsidiaries are unsecured, interest-free, repayable on demand and are to be settled in cash.

The details of the impairment of trade and other receivables and credit exposures are disclosed in Note 28.

Trade and other receivables denominated in foreign currencies as at 31 December 2024 and 2023 are as follows:

	Group		Company	
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
United Stated Dollar	1,589	928	-	-

Ringgit Malaysia	<u>1,291</u>	<u>875</u>	<u>-</u>	<u>-</u>
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16. Prepayments and advances

	<u>Group</u>		<u>Company</u>	
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
Prepayments	65	92	34	8
Advances	<u>11</u>	<u>168</u>	<u>-</u>	<u>-</u>
	<u>76</u>	<u>260</u>	<u>34</u>	<u>8</u>

Advances relate mainly to advance payments made to suppliers of goods and professional services.

17. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and bank balances	4,737	4,251	1,292	34
Bank overdraft (Note 22)	<u>(745)</u>	<u>(682)</u>	<u>-</u>	<u>-</u>
	<u>3,992</u>	<u>3,569</u>	<u>1,292</u>	<u>34</u>

Cash and cash equivalents denominated in foreign currencies as at 31 December 2024 and 2023 are as follows:

	<u>Group</u>		<u>Company</u>	
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
United States Dollar	664	921	2	2
Ringgit Malaysia	<u>245</u>	<u>165</u>	<u>-</u>	<u>-</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates.

18. Other liabilities

	<u>Group</u>		<u>Company</u>	
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
Amount due to a former director	522	330	322	330
Accrued operating expenses	1,337	1,344	435	202
Accrued directors' fee	<u>150</u>	<u>127</u>	<u>150</u>	<u>127</u>
	<u>2,009</u>	<u>1,801</u>	<u>907</u>	<u>659</u>

Amount due to a former director

The amount due to a former director is unsecured, interest-free, repayable on demand and is to be settled in cash.

Other liabilities denominated in foreign currencies as at 31 December 2024 and 2023 are as follows:

	<u>Group</u>		<u>Company</u>	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
Ringgit Malaysia	<u>1,038</u>	<u>983</u>	<u>-</u>	<u>-</u>

19. Trade and other payables

	<u>Group</u>		<u>Company</u>	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
Current				
Trade payables	2,811	665	-	11
Other creditors	12,476	301	12,440	274
Deferred cash settlement	4,615	1,597	4,615	1,597
Loans due to a shareholder	400	400	400	400
Amounts due to subsidiaries	1,334	1,235	1,334	1,235
Amount due to a related party	312	318	-	318
Amount due to a an external party		1,893	-	1,886
	<u>21,948</u>	<u>5,174</u>	<u>18,791</u>	<u>5,721</u>
Non-current				
Loans due to a shareholder	1,225	1,649	1,225	1,649
Amount due to a related party	-	-	-	-
Amount due to an external party	8,565	9,116	8,565	9,116
	<u>9,790</u>	<u>10,765</u>	<u>1,225</u>	<u>10,765</u>
Total trade and other payables	<u>21,839</u>	<u>15,939</u>	<u>20,016</u>	<u>16,486</u>

Trade payables

Trade payables are non-interest bearing. Trade payables are normally settled on 30 – 120 days (2023: 30 – 120 days) credit terms.

Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, interest-free, repayable on demand and are to be settled in cash except for outstanding balance of S\$400,000 (2023: S\$400,000) which bears floating interest rate ranging from 5.69% to 5.90% (2023: 6.25% to 6.34%) per annum, is repriced on a quarterly basis.

Loans due to a shareholder

Loans due to a shareholder of the Company, is unsecured and interest-free, except for the amount of S\$800,000 (2023: S\$800,000), which bears a fixed interest rate of 5% (2023: 5%) per annum and S\$825,000 (2023: S\$997,000), which bears a fixed interest rate of 5% (2023: 5%) per annum. The loans are repayable on yearly instalment and mature in 2028.

Amount due to a related party

Amount due to a related party is unsecured, interest-free, repayable on demand and is to be settled in cash.

Amount due to an external party

Amount due to an external party included an amount S\$1,192,000 (2023: S\$1,614,000) which is interest free and unsecured and S\$8,394,000 (2023: S\$9,395,000), which bears floating interest rates ranging from 5.69% to 5.90 % (2023: 6.25% to 6.34%) per annum, repriced on a quarterly basis. The amount due to an external party is repayable on yearly instalment and matures in 2029.

Deferred cash settlement

This relates to an amount owing to Mr. Seah Chong Hoe (shareholder, director and Chief Executive Officer of the Company) upon the acquisition of subsidiaries during the financial year ended 31 December 2018. This amount is interest free, unsecured and repayable on demand.

Trade and other payables denominated in foreign currencies as at 31 December 2024 and 2023 are as follows:

	<u>Group</u>		<u>Company</u>	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
United States Dollars		5	-	-
Ringgit Malaysia	754	666	754	-

20. Convertible notes

On 24 October 2023, the Company entered into a subscription agreement of the 5% redeemable convertible notes with an aggregate nominal value of up to S\$20,000,000 comprising three tranches, wherein the first tranche ("T1") and second tranche ("T2") comprise of a principal amount of S\$2,500,000 each and third tranche ("T3") comprise of a principal amount of S\$15,000,000, subjected to the approval by shareholders.

On 18 June 2024, the Company and the investor had mutually agreed to cancel T3 due to the conditions precedent for issuance of T3 had not been met.

On 31 October 2023, the Company drew down the T1 of the 5% redeemable convertible note amounting to S\$2.5 million. The T1 were unsecured, interest bearing at 5% per annum on the outstanding nominal value of the T1 and shall cease to bear interest on (a) conversion into shares; (b) the date of redemption of such notes; or (c) on maturity date, and are payable quarterly in arrears.

The T1 entitle the notes holder to convert them into ordinary shares of the Company at any time between the date of issue of the T1 and up to the close of business on the day falling seven days prior to the maturity date. The conversion price shall be 90% of the average volume-weighted average price per share for the preceding 5 Business Days to the relevant Conversion Date of T1 on which shares were traded on the Stock Exchange of Singapore.

The Company may at any time and from time to time, redeem the issued T1 at 115% of the principal amount of the outstanding Notes, together with all accrued interest, or such other amount as may be agreed between the Company and the noteholder.

T1 must be converted by the noteholder on the date falling 12 months from the closing date of T1 with the maximum number of shares that T1 can be converted are 5,581,031,514 shares on a pre-consolidated basis prior to completion of the Proposed Share Consolidation pursuant to the General Mandate.

The T1 contain two components, debt component and embedded derivative (including conversion and early redemption options) component. The Group designated the T1 as financial liabilities as FVTPL as a whole.

On 8 April 2025, the Company announced that it had entered into a Deed of Termination to terminate the subscription agreement dated 24 October 2023 ("RCN 1.0 Notes") entered into between the Company, Advance Opportunities Fund 1 ("AOF 1") and Advance Opportunities Fund VCC in relation to the issuance of up to S\$5.0 million redeemable convertible notes. As at the date of the Deed of Termination, there remained outstanding RCN 1.0 Notes with a face value of S\$2.3 million that had been subscribed for and unconverted by AOF 1.

The Company subsequently entered into a debt settlement agreement with AOF 1 on 15 October 2025 for the settlement of the outstanding debt amounting to S\$2.3 million arising from the outstanding redeemable convertible notes. Further on, the Company, had also received a letter agreement from AOF 1 on 14 November 2025, wherein AOF 1 had in good faith, agreed not to demand for the immediate payment of the debt from the Company, and refrain from instituting, pursuing or enforcing any legal proceedings or demands in relation to the debt, pending the Company's satisfaction of the conditions precedents under an amended and restated subscription agreement with an extended fulfilment date on or before 3 February 2026.

The movement of the redeemable convertible loan notes for the year is set out as below:

	<u>Group and Company</u>	
	2024	2023
	S\$'000	S\$'000
At 1 January	2,587	-
Issue of redeemable convertible notes	(2,200)	2,500
Drawdown of redeemable convertible notes	2,000	-
Fair value loss	98	87
At 31 December	<u>2,485</u>	<u>2,587</u>

21. Leases

Group as a lessee

The Group has lease contracts for various items of machinery and premises used in its operations which generally have lease terms between 1 to 3 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

There are several lease contracts that include extension and termination options, which are further discussed below.

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

<u>Group</u>	<u>Machinery</u> S\$'000	<u>Leasehold properties</u> S\$'000	<u>Total</u> S\$'000
Cost			
At 1 January 2023	276	382	658
Currency realignment	(21)	(6)	(27)
Additions	127	44	171
Expired	-	(38)	(38)
At 31 December 2023	382	382	764
Currency realignment	26	137	163
Additions	-	333	333
Expired	-	(44)	(44)
At 31 December 2024	408	808	853
Accumulated depreciation			
At 1 January 2023	38	136	174
Currency realignment	(2)	(3)	(5)
Charge for the year	20	118	138
Expired	-	(38)	(38)
At 31 December 2023	56	213	269
Currency realignment	5	(26)	(21)
Charge for the year	17	115	132
Expired	-	(17)	(17)
At 31 December 2024	78	285	363
Net book value			
At 31 December 2024	330	523	853
At 31 December 2023	326	169	495

Lease liabilities

	2024 S\$'000	Group 2023 S\$'000
Lease liabilities		
- current	36	187
- non-current	333	52
	<u>369</u>	<u>239</u>

The maturity analysis of lease liabilities is disclosed in Note 28.

The following are the amounts recognised in profit or loss.

	2024 S\$'000	Group 2023 S\$'000
Depreciation of right-of-use assets	132	138
Interest expense on lease liabilities	<u>8</u>	<u>11</u>

The total cash outflow for leases during the financial year ended 31 December 2024 is S\$235,000 (2023: S\$212,000).

22. Loans and borrowings

The loans and borrowings denominated in foreign currency as at 31 December 2024 and 2023 is as follows:

	2024 S\$'000	Group 2023 S\$'000
Ringgit Malaysia	4,635	1,490
	<u>4,635</u>	<u>1,490</u>

23. Share capital

	No. of ordinary shares Issued share capital S\$'000	Amount Issued share capital S\$'000
Group and Company		
2024 and 2023		
Beginning and end of the year	<u>169,846</u>	<u>148,841</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

24. Other reserves

(a) Merger reserve

Merger reserve represents the difference between the consideration paid and the net assets of a subsidiary restructured under common control in prior years.

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.

25. Commitments

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

	<u>Group</u>	
	2024 S\$'000	2023 S\$'000
Capital expenditure contracted but not provided for		
- Commitments for the acquisition of property, plant and equipment	-	-
Capital expenditure authorised but not contracted for		
- Commitments for the acquisition of property, plant and equipment	-	123

26. Contingent liabilities, secured

The Company has not recognised any liability in respect of the guarantees given to the banks for banking facilities granted to the certain subsidiaries as the Company's directors have assessed that the likelihood of the subsidiaries defaulting on repayment of the loans are remote.

As at the end of the financial year, the total amount of loans outstanding covered by the guarantees was approximately S\$795,000 (2023: S\$753,000). Such guarantees are in the form of a financial guarantee as they require the Company to reimburse the respective banks if the respective subsidiaries to which the guarantees were extended, fail to make principal or interest repayments when due in accordance with the terms of the borrowings. There has been no default or non-repayment since the utilisation of the banking facilities.

27. Related party transactions

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and the Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the related party information disclosed elsewhere in the financial statements, the following were significant related party transactions between the Group and the Company with their related parties during the financial year at rates and terms agreed between the parties:

Transactions with ASTI Group (corporate shareholder of the Company)

	<u>Group</u>		<u>Company</u>	
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
Recharged expenses	-	(38)	-	(37)
Corporate support services, net of tax	-	(120)	-	(120)
Interest expense on loan	<u>(391)</u>	<u>(594)</u>	<u>(391)</u>	<u>(594)</u>

Interest expense on loan from a shareholder of the Company

	<u>Group</u>		<u>Company</u>	
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
Interest expense on loan	<u>(89)</u>	<u>(90)</u>	<u>(89)</u>	<u>(90)</u>

Transactions with a director and key management member who are also shareholders of the Company

	<u>Group</u>		<u>Company</u>	
	2024	2023	2024	2023

	S\$'000	S\$'000	S\$'000	S\$'000
Rental expense paid	<u>(101)</u>	<u>(96)</u>	<u>-</u>	<u>-</u>

	<u>Group</u>	
	2024 S\$'000	2023 S\$'000
Compensation to directors of the Company		
- Directors' fee proposed	150	127
- Directors' remuneration	<u>62</u>	<u>707</u>
	<u>212</u>	<u>834</u>
Comprise amounts paid/payable to:		
- Directors of the Company	<u>212</u>	<u>834</u>

28. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses financial instruments such as currency forwards, interest rate swaps and foreign currency borrowings to hedge certain financial risk exposures.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Financial Risk Management Committee ("FRMC") then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

Financial risk management is carried out by a central treasury department ("Group Treasury") in accordance with the policies set by the FRMC. The dealing team of Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The reporting team of Group Treasury measures actual exposures against the limits set and prepares daily reports for review by the Heads of Group Treasury and each operating unit. Regular reports are also submitted to the FRMC and the Board of Directors.

(a) Market risk

(i) Currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily SGD and Malaysian Ringgit ("MYR"). The Group's and the Company's trade receivable and trade payable balances at the end of the reporting period have similar exposures.

The carrying amounts of the Group's and Company's major foreign currency denominated monetary assets and liabilities as at the end of the financial year are as follows:

	<u>Group</u>		<u>Company</u>	
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
Monetary assets				
United States Dollar	1,532	1,849	-	2
Singapore Dollar	<u>2,861</u>	<u>2,748</u>	<u>-</u>	<u>-</u>
	4,393	4,597		2
Monetary liabilities				
United States Dollar	(1,510)	(154)	-	-
Singapore Dollar	<u>-</u>	<u>(9)</u>	<u>-</u>	<u>-</u>
Net monetary assets	<u>2,882</u>	<u>4,434</u>	<u>-</u>	<u>2</u>

Sensitivity analysis for foreign currency risk

The following table details the sensitivity to a 5% (2023: 5%) increase or decrease in the relevant foreign currencies against SGD 5% (2023: 5%) is the sensitivity rate representing management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% (2023: 5%) change in the foreign currency rates.

If the relevant foreign currency strengthens by 5% (2023: 5%) against the SGD, profit or loss will increase or (decrease) by:

	<u>Profit or loss</u>	
<u>Group</u>	2024	2023
	S\$'000	S\$'000
United States Dollar	66	85
Singapore Dollar	<u>107</u>	<u>137</u>

At the reporting date, the Company's exposure to foreign currency risk is not significant.

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Group's and the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flow of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from the amount due to an external party, loans due to a shareholder and loans and borrowings. The Group's policy is to manage interest cost using a mix of fixed and floating rate debts in a cost-efficient manner.

The Group's interest rate risk arises from the floating rate borrowings with financial institutions, amount due to a corporate shareholder and loans due to shareholder.

The interest rates and terms of repayment of the Group's and the Company's floating rate instruments are disclosed as follows:

	<u>Principal</u> <u>S\$'000</u>	<u>Interest</u> <u>rate range</u> <u>%</u>
<u>Group</u>		
2024		
Amount due to an external party (Note 19)	9,586	6.25 - 6.34
Loans and borrowings (Note 22)	<u>1,667</u>	<u>1.30 - 9.98</u>
2023		
Amount due to an external party (Note 19)	9,394	6.25 - 6.34
Loans and borrowings (Note 22)	<u>3,234</u>	<u>1.30 - 9.98</u>

(ii) *Interest rate risk (continued)*

The interest rates and terms of repayment of the Group's and the Company's floating rate instruments are disclosed as follows:

	<u>Principal</u> <u>S\$'000</u>	<u>Interest rate</u> <u>range</u> <u>%</u>
<u>Company</u>		
2024		
Amount due to an external party (Note 19)	<u>9,586</u>	<u>6.25 – 6.34</u>
2023		
Amount due to an external party (Note 19)	<u>9,394</u>	<u>6.25 – 6.34</u>

Interest on financial instruments, amount due to a corporate shareholder and loans due to a shareholder subject to floating interest rates is repriced as and when there is a change in the prevailing market interest rate. The other financial instruments of the Group and the Company that are not included in the above tables are not subject to interest rate risk.

Interest rate benchmark reform and associated risks

In view of the reform of major interest rate benchmarks that is being undertaken globally, the Group and the Company monitors and manages its potential transition to alternative rates, as applicable. The Group and the Company evaluates the contracts that could be affected, and takes a proactive approach in approaching the relevant counterparties to discuss about and assess the potential impact on the Group and the Company.

The Group and the Company applied the practical expedient under the Phase 2 amendments to SFRS(I) 9, SFRS(I) 1-39 *Financial Instruments: Recognition and Measurement* and SFRS(I) 7 *Financial Instruments: Disclosures*, which assist entities in applying the Standards when changes are made to contractual cash flow or hedging relationships because of the ongoing reform of inter-bank offered rates ("IBOR") and other interest rate benchmarks (the "Reform"), to not consider whether the changes required by the Reform to contractual cash flow of financial instrument measured at amortised cost would result in the derecognition of the financial asset or financial liability. Instead, the Group and the Company changes the basis for determining the contractual cash flow prospectively by revising the effective interest rate used. The exception applies only to the extent that the change is required by interest rate benchmark reform when both these conditions are met:

- (a) the change is necessary as a direct consequence of the reform; and
- (b) the new basis for determining the contractual cash flow as a result of the reform is economically equivalent to the previous basis.

As at 31 December 2024, the Group has amended the terms and conditions of certain financial instruments that are indexed to SIBOR to the new benchmark rate (i.e. SORA).

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 250 (2023: 250) basis points higher/lower with all other variables held constant, the Group and the Company's net profit or loss before tax relating to continuing operations would have been S\$165,000 higher/lower (2023: S\$185,000 higher/lower) and S\$144,000 higher/lower (2023: S\$141,000 higher/lower) respectively.

(b) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk arises mainly from bank balances, trade and other receivables and other debt instruments carried at amortised cost. Bank balances are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies and the Group does not expect the impairment loss from bank balances to be material, if any.

To assess and manage its credit risk, the Group categorises the aforementioned financial assets and contract assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, and/or where contractual payments are 90 days past due as per SFRS(I) 9's presumption.

The Group has not rebutted the presumption included in SFRS(I) 9 that there has been a significant increase in credit risk since initial recognition when financial assets are more than 30 days past due.

The Group's exposure to credit risk is mainly influenced by the individual characteristics of each customer. The Group has established credit limits for each customer under which these customers are analysed for credit worthiness before the Group's standard payment, and delivery terms are offered. The Group's reviews include external ratings, where available and in some cases bank references. Customers that fail to meet the Group's benchmark are only allowed to transact with the Group on a prepayment or cash basis. Most of the customers have been with the Group for many years and losses have occurred infrequently. The Group does not require collateral in respect of trade and other receivables.

The Group's internal credit risk grading categories are as follows:

Category	Description	Basis of recognising ECL
1	Low credit risk ^{Note 1}	12-months ECL
2	Non-significant increase in credit risk since initial recognition and financial asset is ≤ 30 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition ^{Note 2} or financial asset is > 30 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired ^{Note 3}	Difference between financial asset's gross carrying amount and present value of estimated future cash flow discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount ^{Note 4}	Written off

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

In assessing the significance of the change in the risk of default, the Group considers both past due (i.e. whether it is more than 30 days past due) and forward looking quantitative and qualitative information.

Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates based on independently obtained information (e.g. expert reports, analyst's reports etc.) and the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are > 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Note 3. Credit impaired

In determining whether financial assets are credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cash flow of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 90 days past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for the financial asset because of financial difficulties.

Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cash flow to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Group does not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics other than the geographical location of their operations.

As at the end of the financial year, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

Trade receivables (Note 15)

The Group uses the practical expedient under SFRS(I) 9 in the form of allowance matrix to measure the ECL for trade receivables, where the loss allowance is equal to lifetime ECL.

The Group provides for lifetime expected credit losses for all trade receivables, using a provision matrix. The provision rates are determined based on the Group's historical

observed default rates analysed in accordance to days past due by grouping of customers based on geographical region. The expected credit losses below also incorporate forward-looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

Summarised below is the information about the credit risk exposure on the Group's trade receivables relating to continuing operations using provision matrix, grouped by geographical region:

31 December 2024	Current S\$'000	More than 30 days S\$'000	More than 60 days S\$'000	More than 90 days S\$'000	Total S\$'000
Expected credit loss rates	0.90%	0.00%	68.40%	32.40%	
Trade receivables (Gross amount)	1,761	305	725	2,462	5,253
Loss allowance provision	16	-	-	1,685	1,701
31 December 2023					
Expected credit loss rates	0.00%	0.00%	0.00%	4.93%	
Trade receivables (Gross amount)	1,484	63	200	446	2,193
Loss allowance provision	-	-	-	22	22

Other receivables (excluding bridging loan) (Note 15)

As of 31 December 2024, the Group and the Company recorded other receivables of S\$314,000 and S\$0 (2023: S\$199,000 and S\$13,000) respectively. The Group and the Company assessed the impairment loss allowance of these amounts on a 12-month ECL basis consequent to their assessment and conclusion that these receivables are of low credit risk. In its assessment of the credit risk of these third parties, the Group considered amongst other factors, the financial position of the third parties as of 31 December 2024, the past financial performance and cash flow trends, adjusted for the outlook of the industry and economy in which the third parties operate in. Using 12-month ECL, the Group and the Company assessed the ECL is insignificant. As of 31 December 2024, an impairment loss of S\$1,701,000 (2023: S\$Nil) has been recognised as the Group was not expecting to be able to collect the outstanding balance from a third party customer.

The movement in the loss allowance during the financial year and the Group's exposure to credit risk in respect of the trade and other receivables are as follows:

Group Internal credit risk grading	Trade receivables			Other receivables (excluding bridging loan)		
	Category			Category		
	Note (i) S\$'000	4 S\$'000	Total S\$'000	1 S\$'000	4 S\$'000	Total S\$'000
Loss allowance						
At 1 January 2023	10	-	10	-	95	95
Impairment loss recognised	12	-	12	-	-	-
Write-off of receivables	-	-	-	-	(95)	(95)
At 31 December 2023	22	-	22	-	-	-

Impairment loss recognised	1,701		1,701			
Write-off of receivables	0	-	0	-	-	-
At 31 December 2024	<u>1,723</u>	-	<u>1,723</u>	-	-	-

Gross carrying amount

At 31 December 2023	<u>2,171</u>	22	<u>2,193</u>	<u>199</u>	-	<u>199</u>
At 31 December 2024	<u>3,552</u>	1,701	<u>5,253</u>	<u>314</u>	-	<u>314</u>

Net carrying amount

At 31 December 2023	<u>2,171</u>	-	<u>2,171</u>	<u>199</u>	-	<u>199</u>
At 31 December 2024	<u>3,552</u>	-	<u>3,552</u>	<u>314</u>	-	<u>314</u>

Note (i): For trade receivables, the Group uses the practical expedient under SFRS(I) 9 in the form of an allowance matrix to measure the ECL, where the loss allowance is equal to lifetime ECL.

<u>Company</u> <u>Internal credit risk grading</u>	<u>Other receivables (excluding bridging loan)</u>		
	<u>Category 1</u>	<u>Category 4</u>	<u>Total</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<u>Loss allowance</u> At 1 January 2023 and 31 December 2023 and At 31 December 2024	-	-	-
<u>Gross carrying amount</u> At 31 December 2023	316	-	316
At 31 December 2024	-	-	-
<u>Net carrying amount</u> At 31 December 2023	316	-	316
At 31 December 2024	-	-	-

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the geographical profile of its trade debtors on an on-going basis. The credit risk concentration profile of the Group's trade debtors at the date of statement of financial position is as follows:

	<u>Group</u>			
	2024		2023	
	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>%</u>
Malaysia	1,357	38.2	1,403	64.6
Singapore	1,137	32.0	715	33.0
Other South East Asia	1,042	29.3	27	1.2
America	11	0.3	11	0.5
China	6	0.2	10	0.5
Europe	0	0.0	5	0.2
	<u>3,553</u>	<u>100.0</u>	<u>2,171</u>	<u>100.0</u>

Exposure to credit risk

At the date of statement of financial position, the Group's and the Company's exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

There is no significant credit risk exposure faced by the Group and the Company in 2024 and 2023.

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The

Group monitors its liquidity risk and is currently dependent on its cash flow generated from operations and if necessary, advances from its holding company and shareholders to support its working capital. The Group also ensures availability of bank credit lines to address any short-term funding requirement.

At the end of the reporting period, approximately 50% (2023: 54%) of the Group's loans and borrowings will mature in less than one year based on the carrying amount reflected in the financial statements.

Contractual maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial assets and financial liabilities at the end of the reporting period based on the contractual undiscounted repayment obligations:

	<u>Effective interest rate</u> %	<u>Less than 1 year</u> S\$'000	<u>Between 1 and 5 years</u> S\$'000	<u>More than 5 year</u> S\$'000	<u>Total</u> S\$'000
<u>Group</u>					
<u>2024</u>					
<u>Undiscounted financial assets</u>					
Trade and other receivables					
(excluding bridging loan)	-	3,925	-	-	3,925
Bridging loan	-	-	-	-	-
Cash and cash equivalents	-	4,737	-	-	4,737
		8,662	-	-	8,662
<u>Undiscounted financial liabilities</u>					
Trade and other payables	5.00 – 6.34	20,614	1,225	-	21,839
Convertible notes	5.00	2,300	-	-	2,300
Other liabilities	-	2,009	-	-	2,009
Lease liabilities	1.87 – 5.71	36	333	-	369
Loans and borrowings	0.75 – 9.88	1,366	1,046	-	2,412
		26,325	2,604	-	28,929
Total net undiscounted financial liabilities		(17,663)	(2,604)	-	(20,267)

	<u>Effective interest rate</u> %	<u>Less than 1 year</u> S\$'000	<u>Between 1 and 5 years</u> S\$'000	<u>More than 5 year</u> S\$'000	<u>Total</u> S\$'000
<u>Group</u>					
2023					
<u>Undiscounted financial assets</u>					
Trade and other receivables					
(excluding bridging loan)	-	2,370	-	-	2,370
Bridging loan	5.00	2,000	-	-	2,000
Cash and cash equivalents	-	4,251	-	-	4,251
		8,621	-	-	8,621
<u>Undiscounted financial liabilities</u>					
Trade and other payables	5.00 – 6.34	5,174	10,953	-	16,127
Convertible notes	5.00	2,587	-	-	2,587
Other liabilities	-	1,801	-	-	1,801
Lease liabilities	1.87 – 5.71	192	54	-	246
Loans and borrowings	0.75 – 9.88	1,419	1,052	615	3,086
		11,173	12,059	615	23,847
Total net undiscounted financial liabilities		(2,552)	(12,059)	(615)	(15,226)

The table below summarises the maturity profile of the Group's and the Company's financial assets and financial liabilities at the end of the reporting period based on the contractual undiscounted repayment obligations (continued):

	Effective interest rate %	Less than 1 year S\$'000	More than 1 year S\$'000	Total S\$'000
<u>Company</u>				
2024				
<u>Undiscounted financial assets</u>				
Trade and other receivables (excluding bridging loan)		792	-	792
Bridging loan		-	-	-
Cash and cash equivalents		1,292	-	1,292
		2,084	-	2,084
<u>Undiscounted financial liabilities</u>				
Trade and other payables		18,791	1,225	20,016
Convertible notes		2,300	-	2,300
Maximum amount of financial guarantee		-	-	-
Other liabilities		907	-	907
		21,998	1,225	23,223
Total net undiscounted financial liabilities		(19,914)	(1,225)	(21,139)
2023				
<u>Undiscounted financial assets</u>				
Trade and other receivables (excluding bridging loan)	-	316	-	316
Bridging loan	5.00	2,000	-	2,000
Cash and cash equivalents	-	34	-	34
		2,350	-	2,350
<u>Undiscounted financial liabilities</u>				
Trade and other payables	6.25 - 6.34	5,721	10,953	16,674
Convertible notes	5.00	2,587	-	2,587
Maximum amount of financial guarantee	-	205	140	345
Other liabilities	-	659	-	659
		9,172	11,093	20,265
Total net undiscounted financial liabilities		(6,822)	(11,093)	(17,915)

2023

Undiscounted financial assets

Trade and other receivables (excluding bridging loan)	-	316	-	316
Bridging loan	5.00	2,000	-	2,000
Cash and cash equivalents	-	34	-	34
		<u>2,350</u>	<u>-</u>	<u>2,350</u>

Undiscounted financial liabilities

Trade and other payables	6.25 - 6.34	5,721	10,953	16,674
Convertible notes	5.00	2,587	-	2,587
Maximum amount of financial guarantee	-	205	140	345
Other liabilities	-	659	-	659
		<u>9,172</u>	<u>11,093</u>	<u>20,265</u>

Total net undiscounted financial liabilities

<u>(6,822)</u>	<u>(11,093)</u>	<u>(17,915)</u>
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Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

	<u>Group</u>		<u>Company</u>	
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
<i>Financial assets at amortised cost</i>				
Trade and other receivables	3,925	4,386	792	2,332
Cash and bank balances	<u>4,737</u>	<u>4,251</u>	<u>1,292</u>	<u>34</u>
	<u>8,662</u>	<u>8,637</u>	<u>2,084</u>	<u>2,366</u>
<i>Financial liabilities at fair value through profit or loss</i>				
Convertible notes	<u>2,485</u>	<u>2,587</u>	<u>2,485</u>	<u>2,587</u>
<i>Financial liabilities at amortised cost</i>				
Lease liabilities	369	239	-	-
Loans and borrowings	2,412	2,683	-	-
Other liabilities	2,009	1,801	907	659
Trade and other payables	<u>21,839</u>	<u>15,939</u>	<u>20,019</u>	<u>16,486</u>
	<u>26,629</u>	<u>20,662</u>	<u>20,923</u>	<u>17,145</u>

29. Fair values of financial assets and financial liabilities

The Group and the Company categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- (a) Level 1 - the fair values of assets and liabilities with standard terms and conditions

and which trade in active markets that the Group and the Company can access at the measurement date are determined with reference to quoted market prices (unadjusted).

- (b) Level 2 - in the absence of quoted market prices, the fair values of the assets and liabilities are determined using the other observable, either directly or indirectly, inputs such as quoted prices for similar assets/liabilities in active markets or included within Level 1, quoted prices for identical or similar assets/liabilities in non-active markets.
- (c) Level 3 - in the absence of quoted market prices included within Level 1 and observable inputs included within Level 2, the fair values of the remaining assets and liabilities are determined in accordance with generally accepted pricing models.

Fair value measurements that use inputs or different hierarchy levels are 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.

- (a) Except as disclosed in Note 29 (b) below, the carrying amounts of the other financial instruments in the statement of financial positions approximate their respective fair values as they are short term in nature and/or subjected to frequent repricing (floating rates). Fair value measurements that use inputs or different hierarchy levels are 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.
- (b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value as the interest rates are fixed.

	Group	
	Carrying amount S\$'000	Fair value S\$'000
<u>2024</u>		
<u>Financial liabilities:</u>		
Loans due to a shareholder (Note 19)	1,625	1,762
Loans and borrowings (Note 22)	<u>1,667</u>	<u>1,807</u>
<u>2023</u>		
<u>Financial liabilities:</u>		
Loans due to a shareholder (Note 19)	2,049	2,165
Loans and borrowings (Note 22)	<u>1,193</u>	<u>1,326</u>

Level 3

In estimating the fair value, the Group uses market-observable data to the extent it is available. For

instruments with significant unobservable input under level 3 of fair value hierarchy, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The management reports the findings to the directors at the end of each reporting period to explain the cause of fluctuations in the fair value.

The following are the summary of the quantitative information above the significant unobservable inputs used in level 3 measurement:

<u>Description</u>	<u>Fair value at 31 December 2024</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Range</u>	<u>Relationship of unobservable inputs to fair value</u>
Financial liability at fair value through profit or loss:					
Convertible notes	S\$2,300,000 (2023: S\$2,578,000)	Discounted Cash Flow Analysis	Incremental borrowing rate	5% (2023: 15.30%)	An increase will result in a decrease in fair value
			Risk free interest rate	5% (2023: 3.67%)	An increase will result in a decrease in fair value

The reconciliation of fair value measurement of convertible notes is set out in Note 20 to the consolidated financial statements.

30. Capital management policies and objectives

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholders value. The Group and the Company monitors its monthly cash flow and also 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 and the Company may issue new shares. No changes were made in the objectives, policies and processes during the years ended 31 December 2024 and 2023.

The Group and the Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group and the Company includes within net debt, loans and borrowings, lease liabilities, loans due to a shareholder, amount due to a related party, amount due to a corporate shareholder, trade and other payables, less cash and cash equivalents. Capital includes equity attributable to the owners of the Company.

	<u>Group</u>		<u>Company</u>	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
Loans and borrowings (including bank overdraft)	1,667	2,683	-	-
Lease liabilities	369	239	-	-
Trade and other payables	21,839	15,939	20,016	16,486
Convertible notes	2,300	2,587	2,300	2,587
Other liabilities	2,009	1,801	907	659
Less: Cash and cash equivalents	(4,737)	(4,251)	(1,292)	(34)
	<u>23,447</u>	<u>18,998</u>	<u>21,931</u>	<u>19,698</u>
Equity	<u>(6,477)</u>	<u>(7,249)</u>	<u>(12,328)</u>	<u>(6,864)</u>
Capital and net debt	<u>16,970</u>	<u>11,749</u>	<u>9,603</u>	<u>12,834</u>
Gearing ratio	<u>138%</u>	<u>162%</u>	<u>228%</u>	<u>153%</u>

The Group and the Company is in compliance with externally imposed capital requirements for the financial years ended 31 December 2024 and 2023.

31. Segment information

For management purposes, the Group is organised into business units based on their products and services. The reportable segments are the Equipment Contract Manufacturing Services ("ECMS") segment, which is mainly engaged in precision engineering and fabrication assembly of parts for both semiconductor and non-semiconductor industries and Aquaculture segment, a newly added business to the Group during second half of FY2024, which is principally engaged in management and operations of, and the technology licensing of operational know-how and expertise to, aquaculture farms.

No operating segments have been aggregated to form the above reportable operating segment.

Management monitors the operating results of its business as a whole for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Transfer prices between operating and other segments are on an arm's length basis in a manner similar to transactions with third parties.

31. Segment information (continued)

	ECMS		Aquaculture		Corporate expenses		Adjustment and elimination		Total	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
Revenue										
Segmental revenue										
- External sales	16,124	12,928	970	-	-	-	-	-	17,094	12,928
- Inter-segment sales (Note A)	-	19	-	-	-	-	-	(19)	-	-
	<u>16,124</u>	<u>12,947</u>	<u>970</u>		<u>-</u>	<u>-</u>	<u>-</u>	<u>(19)</u>	<u>17,094</u>	<u>12,928</u>
Results:										
EBITA (Note B)	2,658	(574)	(1,926)		(5,887)	537	51	-	(5,094)	(37)
Impairment loss on intangible assets	-	-	-		-	(1,901)	-	-	-	(1,901)
Interest income	38	113			-	16	-	(82)	38	47
Interest expense	(120)	(212)	(77)		(734)	(708)	(51)	82	(982)	(838)
Depreciation on property, plant and equipment	(875)	(810)			(2)	-		-	(877)	(810)
Depreciation on right-of-use assets	(132)	(138)				-		-	(132)	(138)
(Loss)/Profit before income tax	1,569	(1,621)	(2,003)		(6,613)	(2,056)		-	(7,047)	(3,677)
Income tax expense	(342)	(340)	-			-		-	(342)	(340)
Segment results	<u>1,227</u>	<u>(1,961)</u>	<u>(2,003)</u>		<u>(6,613)</u>	<u>(2,056)</u>		-	<u>(7,389)</u>	<u>(4,017)</u>
Additions to non-current assets	<u>1,023</u>	<u>651</u>	<u>-</u>		<u>-</u>	<u>-</u>		-	<u>1,02</u>	<u>651</u>

A. Inter-segment revenues are eliminated on consolidation.

B. Elimination of unrealised gains and losses arising from inter-segment transacti

32. Business combination

On 2 August 2024 ("Completion Date"), the Company completed the acquisition from Mr Lim Chen Chong, Ms Lim Yu, Victoria and Structured Capital Solutions Inc. (collectively, the "Vendors") of 100% equity interest of LSO Organization Holdings Pte. Ltd. ("LSO OHPL"), which holds Lim Shrimp Organization Ltd. ("LSO BVI") and LSO BVI held Lim Shrimp Org Sdn. Bhd ("LSOSB") as its subsidiary corporations (collectively, the "LSO Group"). The total purchase consideration amounted to S\$20,000,000, comprising S\$12,000,000 to be satisfied through the issuance of the Company's ordinary shares and S\$8,000,000 payable in cash, of which S\$2,000,000 will be offset against the principal of a bridging loan previously advanced by the Company to the Vendors.

As at Completion Date, the Company has allotted and issued 184,615,385 at the issue price of S\$0.065 per Consideration Share, amounting to S\$12,000,000 to the Vendors, and the principal of the bridging loan of S\$2,000,000 has already been offset. As at the reporting date, cash consideration of S\$1,400,000 has been settled and the outstanding remaining balance of S\$4,600,000 has been deferred as disclosed in Note 33 (d) to the financial statements.

The principal activity of LSO Group is that of aquaculture management. As a result of the acquisition, the Group is expected to benefit from opportunities within the aquaculture industry, enabling it to capture growth trends and support efforts to turn around the Group's loss-making position. Combined with a positive business outlook, the acquisition may contribute to potential growth in the Company's market capitalisation, increased investor interest, and, consequently, an improvement in the trading liquidity of the Company's shares.

The Company had engaged an independent third-party valuer to perform the purchase price allocation ("PPA") of the acquisition. As at the reporting date, the PPA has not been completed due to unexpected delays and unforeseen circumstances arising from the changes in the management during the financial year.

As disclosed in Note 12 to the financial statements, the Group had recognised a provisional goodwill of S\$19,407,000 from the acquisition. The goodwill is provisionally determined as the Group is still in the midst of assessing the fair value of identified net assets acquired and liabilities assumed, hence the goodwill has been provisionally allocated to the CGU. If new information obtained within one year from the acquisition date about the facts and circumstances that existed at the acquisition date identifies adjustment to the above amount, or any additional provision and allowances that existed at the acquisition date, the accounting for the acquisition will be adjusted retrospectively.

33. Events subsequent to the reporting date

- (a) The Company had on 21 March 2025 received a Letter of Demand from the lawyers of ASTI Holdings Limited ("ASTI") for the sum of S\$9,116,380.42 in relation to loans and corporate services provided by ASTI to the Company. The Company vigorously defended the alleged claims and on 4 August 2025 filed a court application, HC/OA 801/2025 ("OA 801"), against ASTI to restrain ASTI from presenting a winding-up application against the Company in respect of the claims in the Letter of Demand. The Company also filed an urgent summons for an interim injunction (HC/SUM 2134/2025 ("SUM 2134") to restrain

ASTI from presenting a winding-up application against the Company until the hearing and final determination of OA 801.

OA 801 was filed and an interim injunction sought because the Company disputed that the alleged outstanding amounts were due to ASTI, and also that the Company had, in its affidavit filed in the OA 801, cross-claims against ASTI in damages arising from the allegations. These disclosures to the Singapore Court led to ASTI withdrawing their Statutory Demand and paying the Company costs as announced by the Company on 5 September 2025.

On 17 September 2025, the Company received a Letter of Demand from the lawyers of ASTI demanding for the full repayment of the outstanding amounts allegedly owed by the Company to ASTI amounting to an aggregate of S\$9,873,139.26 as at 31 July 2025. The Company subsequently filed its defence and counterclaim to the suit on 10 November 2025. The Company will be relying on the same facts as stated in OA 801 in contesting the alleged claims in the Letter of Demand dated 17 September 2025 and will continue to take all necessary steps to protect the interests of the Company and its shareholders.

- (b) On 19 June 2025, the Company received a notice of demand dated 19 June 2025 from Mr Seah Chong Hoe ("Mr Seah"), in relation to a claim for payment of six months' salary in lieu of notice amounting to S\$300,000.00. The claim arose from the Company's immediate termination of Mr Seah's employment as Chief Executive Officer of the Company. The Company is contesting the claims and lodged a police report on 22 July 2025 with regards to the unauthorised withdrawals of sums amounting to S\$1.01M by Mr Seah from the Company.
- (c) On 18 July 2025, the Company lodged a police report with the Singapore Police Force in relation to potential offences committed by Mr Seah and Dato' Sopiyan, including the following:
 - (i) Mr Seah and Dato' Sopiyan effected changes to the authorised bank signatories of the Company's bank account ("Maybank Account") maintained with Maybank Singapore Limited ("Maybank"), without approval from the Board. Through these changes, Mr Seah and Dato' Sopiyan were appointed as authorised persons and authorised signatories of the Maybank Account. However, management noted that no Board resolutions had been passed to approve these changes.
 - (ii) Following the unauthorised change of bank signatories, cheques amounting to approximately S\$1,011,000 were issued from the Maybank Account to Mr Seah without the knowledge or authorisation of the Board. Prior to these cheque issuances, a sum of approximately S\$904,000 had been transferred from a bank account belonging to the Company's wholly-owned subsidiary, Emerald Precision Engineering Sdn. Bhd., into the Maybank Account on or around 12 June 2025 at the instruction of Mr Seah.
 - (iii) During his tenure as Chief Executive Officer of the Company, Mr Seah had access to and control over the Company's financial, commercial, and other corporate records and documents. As of 22 July 2025, Mr Seah had yet to return these documents to the Company.
- (d) On 8 April 2025, the Company announced that it had entered into a Deed of Termination to terminate the subscription agreement dated 24 October 2023 ("RCN 1.0 Notes") entered into between the Company, Advance Opportunities Fund 1 ("AOF 1") and Advance Opportunities Fund VCC in relation to the issuance of up to S\$5.0 million redeemable convertible notes. As at the date of the Deed of Termination, there remained outstanding RCN 1.0 Notes with a face value of S\$2.3 million that had been subscribed for and unconverted by AOF 1.

The Company subsequently entered into a debt settlement agreement with AOF 1 on 15 October 2025 for the settlement of the outstanding debt amounting to S\$2.3 million arising from the outstanding redeemable convertible notes. Further on, the Company, had also received a letter agreement from AOF 1 on 14 November 2025, wherein AOF 1 had in good faith, agreed not to demand for the immediate payment of the debt from the Company, and refrain from instituting, pursuing or enforcing any legal proceedings or demands in relation to the debt, pending the Company's satisfaction of the conditions precedents under an amended and restated subscription agreement with an extended fulfilment date on or before 3 February 2026.

- (e) On 27 November 2025, the Company announced that 30,022,580 new ordinary shares in the capital of the Company were allotted and issued by the Company pursuant to the exercise of the Rights Cum Warrants Issue completed on 19 December 2024. Following the allotment and issuance of the New Shares, the total number of issued and paid-up ordinary share capital of the Company will be increased to 1,665,144,341 shares.

34. Changes in accounting policies

As a result of the adoption of the amendments to SFRS(I) 1-1, the Group changed its accounting policy for the classification of borrowings as disclosed in note 2.21 to the financial statements.

This new policy did not result in a change in the classification of Advanced Systems Automation Limited's borrowings. The Group did not make retrospective adjustments as a result of adopting the amendments to SFRS(I) 1-1.

35. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published and are relevant for the Group's accounting periods beginning on or after 1 January 2025 and which the Group has not early adopted.

- (a) **Amendments to SFRS(I) 1-21 - Lack of Exchangeability** (effective for annual periods beginning on or after 1 January 2025)

SFRS(I) 1-21 is amended to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, SFRS(I) 1-21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

- (b) **Amendments to SFRS(I) 9 and SFRS(I) 7 - Amendments to the Classification and Measurement of Financial Instruments** (effective for annual reporting periods beginning on or after 1 January 2026)

SFRS(I) 9 and SFRS(I) 7 are amended to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;

- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

(c) **SFRS(I) 18 - Presentation and Disclosure in Financial Statements** (effective for annual reporting periods beginning on or after 1 January 2027)

SFRS(I) 18 replaces SFRS(I) 1-1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance (comprising of the statement of profit or loss and other comprehensive income) and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of SFRS(I) 18 will have no impact on the group's net profit, the group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the group has performed, the following items might potentially impact operating profit:
 - Foreign exchange differences currently aggregated in the line item 'other income and other gains/(losses) – net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
 - SFRS(I) 18 has specific requirements on the category in which derivative gains or losses are recognised – which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the group currently recognises some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognised, and the group is currently evaluating the need for change.
- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.
- The group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- management-defined performance measures;
 - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
 - for the first annual period of application of SFRS(I) 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying SFRS(I) 18 and the amounts previously presented applying SFRS(I) 1-1.
- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with SFRS(I) 18.

(d) **SFRS(I) 19 - Subsidiaries without Public Accountability: Disclosures** (effective for annual reporting periods beginning on or after 1 January 2027)

SFRS(I) 19 allows for certain eligible subsidiaries of parent entities that report under SFRS(I) Accounting Standards to apply reduced disclosure requirements. This new standard works alongside other SFRS(I). An eligible subsidiary applies the requirements in other SFRS(I) except for the disclosure requirements; and it applies instead the reduced disclosure requirements in SFRS(I) 19.

SFRS(I) 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with SFRS(I) Accounting Standards.

The Group does not expect this standard to have an impact on its operations or financial statements.

36. Authorisation of financial statements

These financial statements for the financial year ended 31 December 2024 were authorised for issued in accordance with a resolution of Board of Directors of Advanced Systems Automation Limited on 28 November 2025.

APPENDIX 3

ADVANCED SYSTEMS AUTOMATION LIMITED | ANNUAL REPORT 2024

STATISTICS OF SHAREHOLDINGS

STATISTICS OF SHAREHOLDINGS

As at 26 November 2025

Number of Equity Securities	:	1,635,121,761
Class of Equity Securities	:	Ordinary shares
Voting Rights	:	One vote per ordinary share

The Company does not have any treasury shares and subsidiary holdings.

DISTRIBUTION OF SHAREHOLDINGS

<u>Size of Shareholdings</u>	<u>No. of Shareholders</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
1 to 99	4,035	58.29	73,215	0.00
100 to 1000	1,328	19.18	379,618	0.02
1,001 to 10,000	775	11.20	3,126,376	0.19
10,001 to 1,000,000	701	10.13	91,151,286	5.58
1,000,001 and above	83	1.20	1,540,391,266	94.21
TOTAL	6,922	100	<u>1,635,121,761</u>	100

TWENTY LARGEST SHAREHOLDERS

<u>S/No</u>	<u>Name of Shareholders</u>	<u>No. of Shares</u>	<u>%</u>
1	CGS International Securities Singapore Pte Ltd	297,146,051	18.17
2	Loh Soon Gnee	170,940,170	10.45
3	Lim Yu Victoria	153,846,155	9.41
4	Lim Chen Chong	153,846,152	9.41
5	Koh Yew Choo	128,389,989	7.85
6	Lee Su Hui Lena	76,923,076	4.71
7	DBS Nominees Pte Ltd	46,733,917	2.86
8	Maybank Securities Pte Ltd	43,140,134	2.64
9	Lim Wee Beng Eddie	42,422,456	2.59
10	Phillip Securities Pte Ltd	37,062,148	2.27
11	OCBC Securities Pte Ltd	27,013,097	1.65
12	Toh Cheng Hai	26,981,300	1.65
13	MooMoo Financial Singapore Pte Ltd	24,597,407	1.5
14	Seah Chong Hoe	24,051,290	1.47
15	Tiger Brokers (Singapore) Pte Ltd	21,810,180	1.33
16	Evonne Koh (Xu Yi Fan)	20,000,000	1.22
17	Lim and Tan Securities Pte Ltd	16,510,336	1.01
18	United Overseas Bank Nominees Pte Ltd	12,827,278	0.85
19	Wong Woon How	12,000,000	0.73
20	Chan Chee Wing	11,800,000	0.72
	TOTAL	<u>1,348,041,136</u>	<u>82.49</u>

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

Based on the information available to the Company as at 26 November 2025, 56.85% of the total number of issued ordinary shares of the Company is held by the public. Therefore, Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited is complied with.

SUBSTANTIAL SHAREHOLDERS AS RECORDED IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

<u>Name of Substantial Shareholder</u>	<u>Direct</u>		<u>Deemed Interest</u>		<u>Total</u>	
	<u>Interest</u>	<u>%</u>		<u>%</u>	<u>Interest</u>	<u>Total %</u>
Koh Yew Choo ⁱ	128,389,989	7.85	98,663,378	6.03	227,053,367	13.89
Loh Soon Gnee	170,940,170	10.45	-	-	170,940,170	10.45
Lim Yu Victoria	153,846,155	9.41	-	-	153,846,155	9.41
Lim Chen Chong	153,846,152	9.41	-	-	153,846,152	9.41

ⁱ Ms Koh Yew Choo holds 98,663,378 shares in the Company in her nominee accounts with CGS International Securities Singapore Pte Ltd, Phillip Securities Pte Ltd and OCBC Securities Pte Ltd.

APPENDIX 4

ADVANCED SYSTEMS AUTOMATION LIMITED | ANNUAL REPORT 2024

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

ADVANCED SYSTEMS AUTOMATION LIMITED

(Company Registration No. 198600740M)

(Incorporated in the Republic of Singapore with limited liability)

NOTICE IS HEREBY GIVEN that the Thirty-Ninth Annual General Meeting of Advanced Systems Automation Limited (the “**Company**”) will be held at 16 Kallang Place, #03-02, Singapore 339156 on **Tuesday, 16 December 2025 at 9.30 a.m.** for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2024, together with the Auditors’ Report thereon.
(Resolution 1)
2. To re-elect Mr Chng Hee Kok, who is retiring pursuant to Regulation 88 of the Constitution of the Company and who, being eligible, offer himself for re-election as a Director of the Company.
[See Explanatory Note (i)]
(Resolution 2)
3. To re-elect Mr Lim Chen Chong, who is retiring pursuant to Regulation 88 of the Constitution of the Company and who, being eligible, offer himself for re-election as a Director of the Company.
[See Explanatory Note (ii)]
(Resolution 3)
4. To re-elect Mr Hong Seong Soo, who is retiring pursuant to Regulation 88 of the Constitution of the Company and who, being eligible, offer himself for re-election as a Director of the Company.
[See Explanatory Note (iii)]
(Resolution 4)
5. To re-elect Mr Kenneth Sng Min Hua, who is retiring pursuant to Regulation 88 of the Constitution of the Company and who, being eligible, offer himself for re-election as a Director of the Company.
[See Explanatory Note (iv)]
(Resolution 5)
6. To re-elect Ms Ng Foong Han, who is retiring pursuant to Regulation 88 of the Constitution of the Company and who, being eligible, offer herself for re-election as a Director of the Company.
[See Explanatory Note (v)]
(Resolution 6)
7. To note the retirement of Mr Ling Chung Yee, who is retiring pursuant to Regulation 88 of the Constitution of the Company and who, being eligible, will not be seeking re-election as a Director of the Company.
[See Explanatory Note (vi)]
8. To approve the payment of Directors’ fees of S\$150,000 for the financial year ended 31 December 2024 (2023: S\$127,000).
(Resolution 7)
9. To re-appoint CLA Global TS Public Accounting Corporation as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.
(Resolution 8)
10. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

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

11. AUTHORITY TO ALLOT AND ISSUE SHARES

That pursuant to Section 161 of the Companies Act 1967 of Singapore and Rule 806 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”), the Directors of the Company be authorised and empowered to:

- (a) (i) allot and issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or

- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

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

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

PROVIDED ALWAYS THAT:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution but excluding Shares which may be issued pursuant to any adjustments effected under any relevant Instrument), does not exceed 100 per cent of the Company’s total number of issued Shares (excluding treasury shares and subsidiary holdings, as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution but excluding Shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed 50 per cent of the Company’s total number of issued Shares (excluding treasury shares and subsidiary holdings, as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the date of the passing of this Resolution, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and outstanding or subsisting at the time when this Resolution is passed, provided that the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (b) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in a general meeting), the authority conferred by this Resolution shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier; or (ii) in the case of Shares to be issued in pursuance of the Instruments, or made or granted pursuant to this Resolution, until the issuance of such Shares in accordance with the terms of the Instruments.

[See Explanatory Note (vii)]

(Resolution 9)

By Order of the Board

Ng Li Yong

Company Secretary
Singapore, 1 December 2025

EXPLANATORY NOTES

- (i) Mr Chng Hee Kok will, upon re-election as a Director of the Company, remain as an Independent and Non-Executive Director of the Company, the Chairman of the Audit and Remuneration Committees and a member of the Nominating Committee. He will be considered independent by the Board of Directors of the Company ("**Board**") for the purpose of Rule 704(7) of the Catalist Rules.
- (ii) Mr Lim Chen Chong will, upon re-election as a Director of the Company, remain as a Non-Independent and Non-Executive Director of the Company, and a member of the Audit, Nominating and Remuneration Committees. He will be considered non-independent by the Board for the purpose of Rule 704(7) of the Catalist Rules.
- (iii) Mr Hong Seong Soo will, upon re-election as a Director of the Company, remain as an Independent and Non-Executive Director of the Company.
- (iv) Mr Kenneth Sng Min Hua will, upon re-election as a Director of the Company, remain as a Non-Independent and Non-Executive Director of the Company.
- (v) Ms Ng Foong Han will, upon re-election as a Director of the Company, remain as an Executive Director of the Company.

Detailed information (including information as set out in Appendix 7F to the Catalist Rules) on the aforesaid Directors of the Company can be found under the sections entitled "Board of Directors", "Corporate Governance Report" and "Directors' Statement" of the Annual Report of the Company for the financial year ended 31 December 2024 ("Annual Report 2024").

- (vi) Mr Ling Chung Yee will, upon his retirement as a Director of the Company, cease to be the Independent and Non-Executive Chairman of the Board, the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees.
- (vii) The Ordinary Resolution 9 in item 11 above, if passed, will empower the Directors of the Company, and will be effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in general meeting, whichever is the earlier, to allot and issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, as follows:
 - (a) in any *pro-rata* issue of Shares, up to a number not exceeding, in total, 100 per cent of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings); and
 - (b) in any issue of Shares other than on a *pro-rata* basis, up to a number not exceeding 50 per cent of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings).

For determining the aggregate number of Shares that may be issued, the percentage of issued Shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the date this Resolution is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and outstanding or subsisting at the time when this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

Notes:

1. **The Thirty-Ninth Annual General Meeting of the Company ("AGM") will be held in a wholly physical format. There will be no option for members to participate in the AGM by electronic means.** Printed copies of this Notice of AGM, the accompanying instrument appointing a proxy or proxies ("**Proxy Form**") and the Notification and Request Form will be sent by post to members. **No printed copies of the Company's Annual Report 2024 will be sent to members.** Members who wish to receive a printed copy of the Annual Report 2024 to be sent to an address in Singapore by ordinary post, will need to complete and submit the Request Form to the Company no later than 9 December 2025. Soft copies of this Notice of AGM, the Proxy Form, the Notification and Request Form and the Annual Report 2024 have also been made available for download from the Company's corporate website at the URL <http://www.asa.com.sg> and on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.
2. A member entitled to attend, speak and vote at the AGM is entitled to appoint no more than two (2) proxies to attend, speak and vote in his/her stead.
3. A member can appoint the Chairman of the AGM as his/her proxy but this is not mandatory. A proxy need not be a member of the Company.
4. Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholding to be represented by each proxy in the Proxy Form. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
5. If the member is a corporation, the Proxy Form must be under its common seal or the hand of its attorney or a duly authorised officer.
6. Pursuant to Section 181 of the Companies Act 1967 of Singapore, any member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM. Relevant intermediary is either:
 - (a) banking corporation licensed under the Banking Act 1970 of Singapore or its wholly-owned subsidiary, whose business includes the provision of nominee services and who holds shares in that capacity; or
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
 - (c) the Central Provident Fund ("**CPF**") Board established by the Central Provident Fund Act 1953 of Singapore ("**CPF Act**"), in respect of shares purchased under the subsidiary legislation made under that CPF Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

7. The Proxy Form must be submitted to the Company in the following manner:
- (a) if sent by post, be mailed to **ADVANCED SYSTEMS AUTOMATION LIMITED, 16 Kallang Place, #03-01/02, Singapore 339156**; or
 - (b) if submitted electronically, be sent via email to the Company at finance@asa.sg.
- in either case by 9.30 a.m. on 13 December 2025 (not less than seventy-two (72) hours before the time appointed for holding the AGM).
8. Completion and submission of the Proxy Form by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of a proxy(ies) for the AGM shall be deemed to be revoked if the member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant Proxy Form, to the AGM.
9. A Depositor shall not be regarded as a member entitled to attend the AGM and to speak and vote thereat unless his/her name appears on the Depository Register seventy-two (72) hours before the time appointed for holding the AGM.
10. Members may raise questions at the AGM or submit questions related to the ordinary resolutions to be tabled for approval at the AGM, in advance of the AGM. Members who would like to submit questions in advance of the AGM may do so in the following manner:
- (a) if sent by post, be mailed to ADVANCED SYSTEMS AUTOMATION LIMITED, 16 Kallang Place, #03-01/02, Singapore 339156; or
 - (b) if submitted electronically, be sent via email to the Company at finance@asa.sg.
- in either case by 5.00 p.m. on 9 December 2025 (the **"Questions Submission Cut-Off Date"**).
- Members submitting questions are requested to state (i) their full name; (ii) their identification/registration number; (iii) contact telephone number; (iv) email address; and (v) the manner in which they hold shares (if you hold shares directly, please provide your CDP account number, otherwise, please state if you hold your shares through the CPFIS or the SRS, or a relevant intermediary shareholder), failing which, the Company shall be entitled to regard the submission as invalid.
- The Company will endeavour to address all substantial and relevant questions submitted by members prior to or during the AGM. The responses to substantial and relevant questions raised by members on or before the Questions Submission Cut-Off Date will be published on the SGXNet and the Company's corporate website at the URL <http://www.asa.com.sg> by 9.30 a.m. on 11 December 2025, being at least forty-eight (48) hours prior to the closing date and time for the lodgement of the Proxy Form. The Company will address any subsequent clarifications sought, or substantial and relevant follow-up questions (relating to the ordinary resolutions to be tabled for approval at the AGM) received after the Questions Submission Cut-Off Date which have not already been addressed prior to the AGM, as well as those substantial and relevant questions received during the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.
11. Relevant intermediaries who wish to attend the AGM, or to appoint proxy(ies) to vote at the AGM should not use the Proxy Form and should instead approach their respective relevant intermediaries as soon as possible for the proxy(ies) appointment.
- CPF/SRS investors who wish to vote at the AGM may attend the AGM in person physically, or may appoint the Chairman of the AGM or such other person as their proxy to vote. The CPF/SRS investors who wish to appoint the Chairman of the AGM or such other person as their proxy should not use the Proxy Form. Instead, they should approach their respective CPF agent banks and/or SRS operators to submit their votes at least seven (7) working days before the AGM (by 5 December 2025), in order to allow sufficient time for the respective relevant intermediaries to in turn submit a proxy form for voting on their behalf. CPF/SRS investors are requested to contact their respective CPF agent banks and/or SRS operators for any queries they may have with regard to the appointment of proxies for the AGM.

Personal data privacy:

"**Personal data**" in this Notice of AGM has the same meaning as "personal data" in the Personal Data Protection Act 2012 of Singapore, which includes his/her name, address and NRIC/Passport number. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **"Purposes"**), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member (such as his name, his presence at the AGM and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

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

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

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

APPENDIX 5

ADVANCED SYSTEMS AUTOMATION LIMITED | ANNUAL REPORT 2024

PROXY FORM

ADVANCED SYSTEMS AUTOMATION LIMITED

(Company Registration No. 198600740M)
(Incorporated in the Republic of Singapore)

IMPORTANT

- 1. The Thirty-Ninth Annual General Meeting of the Company ("AGM") will be held physically at 16 Kallang Place, #03-02, Singapore 339156, on Tuesday, 16 December 2025 at 9.30 a.m.. There will be no option for shareholders to participate in the AGM by electronic means. Printed copies of the Notice of AGM dated 1 December 2025 and this Proxy Form will be sent by post to shareholders.
- 2. Relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) may appoint more than two (2) proxies to attend, speak and vote at the AGM.
- 3. Investors who hold the Company's shares through relevant intermediaries (including CPF/SRS investors) and who wish to vote should approach their relevant intermediaries (including their respective CPF agent banks/SRS approved banks) to submit their voting instructions at least seven (7) working days before the date of the AGM).
- 4. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
- 5. Please read the notes to this Proxy Form.

PERSONAL DATA PRIVACY

By submitting this Proxy Form, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 1 December 2025.

PROXY FORM

THE THIRTY-NINTH ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this Form)

This proxy form has been made available on SGXNet on 1 December 2025.

I/We*, _____ (Name) _____ (NRIC/Passport No./ Co.Regn No)

of _____ (Address)

being a member/members* of Advanced Systems Automation Limited (the "Company"), hereby appoint:

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

and/or*

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

or failing him/them* or if no proxy is named, the Chairman of the AGM as my/our* proxy/proxies* to attend, speak and to vote for me/us* on my/our* behalf at the AGM of the Company to be held at 16 Kallang Place, #03-02, Singapore 339156 on **Tuesday, 16 December 2025 at 9.30 a.m.** and at any adjournment thereof.

I/We* direct my/our* proxy/proxies* to vote for, against and/or to abstain from voting on the resolutions proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her* discretion.

If you wish to exercise all your votes "For" or "Against", or "Abstain" the relevant resolutions, please mark an "X" in the appropriate box provided. Alternatively, please indicate the number of votes "For" or "Against", or "Abstain" for each resolution in the boxes provided as appropriate. If you mark an "X" in the abstain box for a particular resolution, you are directing your proxy, not to vote on that resolution.

No.	Resolutions relating to:	For	Against	Abstain
1	Adoption of Directors' Statement, Audited Financial Statements for the financial year ended 31 December 2024, together with the Auditors' Report thereon			
2	Re-election of Mr Chng Hee Kok as a Director of the Company			
3	Re-election of Mr Lim Chen Chong as a Director of the Company			
4	Re-election of Mr Hong Seong Soo as a Director of the Company			
5	Re-election of Mr Kenneth Sng Min Hua as a Director of the Company			
6	Re-election of Ms Ng Foong Han as a Director of the Company			
7	To note the retirement of Mr Ling Chung Yee, who is retiring pursuant to Regulation 88 of the Constitution of the Company and who, being eligible, will not be seeking re-election as a Director of the Company.	-	-	-
8	Approval of payment of Directors' fees amounting to S\$150,000 for the financial year ended 31 December 2024			
9	Re-appointment of CLA Global TS Public Accounting Corporation as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration			
10	Authority for Directors to allot and issue shares in the capital of the Company			

Note: Voting will be conducted by poll.

Dated this _____ day of _____ 2025

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

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

**Delete where inapplicable*

Important: Please read notes overleaf

Notes:

1. A member of the Company should insert the total number of shares of the Company ("**Shares**") held. If the member has Shares entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), he/she/it should insert that number of Shares. If the member has Shares registered in his/her/its name in the Register of Members of the Company (maintained by or on behalf of the Company), he/she/it should insert the number of Shares. If the member has Shares entered against his/her/its name in the Depository Register and Shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of Shares entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Members. If no number is inserted, this form of proxy shall be deemed to relate to all the Shares held by the member of the Company.
2. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member's instrument appointing a proxy(ies) appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
3. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two (2) proxy(ies), the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

"Relevant Intermediary" means:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
 - (c) the CPF Board established by the Central Provident Fund Act 1953 of Singapore in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. A member can appoint the Chairman of the AGM as his/her/its proxy but this is not mandatory. A proxy need not be a member of the Company.
 5. This form of proxy, duly executed, must be submitted to the Company in the following manner:
 - (a) if sent by post, be mailed to **ADVANCED SYSTEMS AUTOMATION LIMITED, 16 Kallang Place, #03-01/02, Singapore 339156**; or
 - (b) if submitted electronically, be sent via email to the Company at finance@asa.sg.

in either case, not less than seventy-two (72) hours before the time appointed for holding the AGM.

6. This form of proxy must be under the hand of the appointor or of his/her/its attorney duly authorised in writing. Where this form of proxy is executed by a corporation, it must be executed either under its common seal (or otherwise in accordance with its constitution) or under the hand of an officer or attorney duly authorised. Where this form of proxy is executed by an attorney on behalf of the appointor, the letter or the power of attorney or a duly certified true copy thereof must be lodged with this form of proxy, failing which this form of proxy may be treated as invalid.

GENERAL:

The Company shall be entitled to reject this form of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this form of proxy. In addition, in the case of members whose Shares entered against their names in the Depository Register, the Company may reject any instrument appointing or treated as appointing a proxy(ies) lodged if such members, being the appointor, are not shown to have Shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM (or at any adjournment thereof), as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By attending the AGM and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 1 December 2025.



