HOSENGROUP
LTD

CREATING QUALITY ENRICHING LIVES

ANNUAL REPORT 2024

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This annual report has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange 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 Ng Shi Qing, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg

CORPORATE PROFILE

Hosen Group was established in the 1970s and has since grown to become one of Asia's leading importers, exporters and distributors of fast-moving consumer goods ("FMCG"), specialising in processed food.

The Company adopted the name Hosen Group Ltd when it went public on the Singapore Stock Exchange in September 2004.

Hosen Group, through its subsidiaries in Singapore and Malaysia, has developed over the past 50 years an extensive and robust distribution network that spans across Asia, Europe, Middle East, Africa and the Oceanic countries. Today, Hosen's house brands of products can be found in various continents of the world.

Besides our strength in developing distribution network, the Company has also honed its skills in brand management and product development.

Our Brands are renowned for its premium quality products at affordable prices. HOSEN® brand, our key house brand, has won many accolades and bagged numerous awards over the years, including the Most Promising Brand Award and Superbrands Awards. The Company has also been awarded Singapore 1000 Company (Public Listed) for consecutive years.

Our Hosen® brand carries a wide range of fruits, vegetables, condiments and beverages in various packaging such as can, bottle and pouch. The Fortune® brand carries an exquisite range of high-quality canned seafood such as braised abalone and various types of shellfish. The Group also owns the Highway® Brand that carries canned meat and breakfast spreads. In 2013, LaDiva® brand was launched to cater to a growing demand for western product lines. The Sincero® and Calbuco® brands carry chocolate products with various contents packed in bottle, pouch and tin while Cocoa Grande® brand carries semi-finished and finished industrial chocolate products.

Over the decades, the Company has built an extensive distribution network managed by an experienced team.

Our Retail Team showcases our products in the supermarkets, warehouse clubs, online malls and convenience stores. Our direct presence at retail stores enable us to launch new products and gather first-hand consumer response within a short period of time. This is a critical domain for us in this FMCG industry to create and innovate new products.

Our Food Service Divisions in Singapore and Malaysia service hotels, restaurants, airlines, clubs, caterers, cafes, ship-chandlers, bakeries and dessert chain stores. With the evolving changes in the businesses of these customer groups, we have, beyond product supplies and prompt services, engaged customers in the area of product development and other value-added services.

Our Export Division has, over the years, developed a good client base in our overseas network, spanning more than 40 countries, and gained a reputation of delivering high quality products and excellent services. The Company has leveraged on this strength and has also taken on the role of a service provider for procurement and logistic requirements for our established customers.

In 2015, the Company established a Malaysia subsidiary in Senai, being the first manufacturing arm of the Group, to develop, process, trade and distribute house brand and new chocolate products for both retail and industrial uses.

The Group will continue to provide an efficient, innovative and cost-effective distribution network in the domestic and international markets to supply and distribute our house brands and other FMCG products thereby enhancing the value of the Group and its stakeholders.

The Board has recommended a tax-exempt one-tier first and final dividend of 0.20 Singapore cents per ordinary share for FY2024.

MESSAGE FROM CHAIRMAN AND CEO

Our house brands remained the primary contributor, accounted for approximately 85.6% of the Group's revenue in FY2024, up from 83.2% in FY2023.

DEAR SHAREHOLDERS

It is our pleasure to present to you the Annual Report of Hosen Group Ltd (the "Company", and together with its subsidiaries, the "Group") for the financial year ended 31 December 2024 ("FY2024").

The global economy faced significant challenges amid ongoing geopolitical tensions, including the conflicts in Ukraine and Gaza which disrupted supply chains and heightened market volatility. While easing inflation and interest rate cuts provided some relief, the trade landscape became more complex with the new US administration, leading to renewed trade tensions with potential tariff disputes. Amid these challenges, we streamlined the Group's structure by disposing a loss-making subsidiary to optimise resource allocation. We also entered into a sale and purchase agreement to acquire land for a new factory in Johor, Malaysia to expand our chocolate production capabilities, maintaining our commitment to navigating market shifts and strengthening the Group's resilience. For FY2024, we are pleased to report a higher revenue of S$72.75 million compared to S$67.30 million for the financial year ended 31 December 2023 ("FY2023"). The increase of S$5.45 million or 8.1% in revenue was mainly due to higher sales demand and increase in sales volume of canned food and chocolate products in FY2024. Growth came from Malaysia and other regional markets which increased by S$3 million and S$2.6 million in FY2024 respectively. Gross profit increased by S$2.11 million to S$17.08 million. As a result, the Group recorded a higher profit attributable to owners of the parent of S$1.97 million in FY2024.

Our house brands, including Hosen, Fortune, Highway, LaDiva, Hula, Sincero, Calbuco, Cocoa Grande, Royal Select and others, remained the primary contributor to the Group's revenue. Our house brand products accounted for approximately 85.6% of the Group's revenue in FY2024, up from 83.2% in FY2023.

OUTLOOK

Slower economic growth, rising costs, global trade tensions and geopolitical and economic uncertainties are likely to continue to dominate the headlines in the coming year. The Group expects sales demand to be impacted by these challenging conditions. Despite these headwinds, the Group will actively manage its cost and optimising its operational efficiencies and explore more business opportunities to sustain growth.

DIVIDEND

The Board has recommended a tax-exempt one-tier first and final dividend of 0.20 Singapore cents per ordinary share for FY2024 for approval by shareholders of the Company at the forthcoming Annual General Meeting.

APPRECIATION

On behalf of the Board of Directors (the "Board"), we would like to extend our appreciation to our management and staff for their dedication and valuable contribution to the Group. We also extend our heartfelt thanks to our business partners, customers, bankers and shareholders for their continued support and trust over years.

Lastly, our sincere gratitude to our fellow Board members for their wise counsel and guidance on various matters.

FRANCIS YAU THIAM HWA
Non-Executive Independent Chairman

DANIEL LIM
Executive Director and Chief Executive Officer

OPERATIONS REVIEW

BUSINESS REVIEW

The Group achieved a higher revenue driven by stronger demand and increased sales volume for both canned food and chocolates products. This was supported by effective marketing efforts and expanded distribution channels. House brands remained the mainstay, with their contribution rising from approximately 83.24% to 85.64% on year-on-year basis as the Group focused on the sales of House Brands products.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The Group recorded a higher revenue of S$72.75 million for the financial year ended 31 December 2024 ("**FY2024**") as compared to S$67.30 million for the financial year ended 31 December 2023 ("**FY2023**"). The increase of S$5.45 million or 8.1% in revenue was mainly due to higher sales demand and increase in sales volume of canned food and chocolate products in FY2024.

Gross profit increased by S$2.11 million to S$17.08 million in FY2024 mainly due to increase in revenue and gross profit margin from 22.24% to 23.47%.

Other income increased by S$0.68 million to S$1.65 million in FY2024 mainly due to gain on disposal of indirect subsidiary Hock Seng Food (Shanghai) Co Ltd and gain in forex exchange in FY2024.

Selling and distribution expenses increased by S$0.56 million to S$3.54 million in FY2024 from S$2.98 million in FY2023 due to higher expenses spent on promotion and logistic costs which commensurate with the higher sales.

Administrative expenses increased by S$1.15 million to S$9.29 million in FY2024 from S$8.14 million in FY2023 mainly due to higher staff cost and Directors' remuneration in line with the higher profit earned by the Group in FY2024.

Other expenses decreased by S$0.55 million to S$2.19 million in FY2024 from S$2.74 million in FY2023 mainly due to the absence foreign exchange loss and higher provision for stock that were recorded in FY2023.

Loss allowance on third-party trade and other receivables of S$0.37 million was made in FY2024, as compared to S$0.02 million which comprised of credit impaired loss allowance and expected credit loss allowance reversed in FY2023.

Finance costs decreased by S$0.08 million to S$0.38 million in FY2024 from S$0.46 million in FY2023 mainly due to the reduction in borrowing interest rate in FY2024.

As a result, the Group recorded a net profit attributable to owners of the parent of S$1.97 million in FY2024 as compared to a net profit attributable to owners of the parent of S$0.99 million in FY2023.

Our sales revenue increased from S$67.30 million in FY2023 to S$72.75 million in FY2024.

Gross profit increased by S$2.11 million to S$17.08 million in FY2024 mainly due to increase in revenue and gross profit margin.

OPERATIONS REVIEW

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The Group's net assets were S$35.45 million as at 31 December 2024, compared to S$33.45 million as at 31 December 2023. The net increase of S$2.00 million was mainly a net result of the profit earned in FY2024 offset against dividend paid, changes in non-controlling interests and the effect of exchange differences on translating foreign operations.

The significant changes to the Consolidated Statement of Financial Position were as follows:–

Property, plant and equipment as at 31 December 2024 increased by S$0.65 million from 31 December 2023 mainly represented by the addition of property, plant and equipment offset by the current period depreciation charged.

Inventories increased by S$1.52 million to S$17.31 million as at 31 December 2024 mainly due to higher inventory level maintained by the Group at the end of FY2024 to meet the sales during Chinese New Year in January 2025 ("**CNY2025**").

Trade and other receivables increased by S$2.92 million to S$15.68 million as at 31 December 2024 due to more sales made before the year end and increased in advance payment to suppliers, as CNY2025 falls in January 2025.

Other current assets, representing the right to the recovered goods for sales returns by customers, increased to S$1.33 million as at 31 December 2024 from S$0.88 million as at 31 December 2023 mainly due to the increased amount of goods sold near the end of FY2024 in connection with CNY2025 sales.

Trade and other payables in current liabilities increased by S$1.74 million to S$8.53 million as at 31 December 2024 mainly due to increase in accrual of employees' and Directors' remuneration and more advance receipt from customers in FY2024, as well as more purchases being made towards the end of FY2024.

Refund liabilities represent the liabilities arising from return of goods and sales rebates. It increased to S$2.70 million as at 31 December 2024 from S$1.66 million as at 31 December 2023 which was in line with the increase in other current assets and in connection to more CNY2025 sales made before the year end.

Lease liabilities in current liabilities and non-current liabilities increased by S$0.32 million to S$2.85 million as at 31 December 2024 mainly due to purchase of motor vehicle and adjustment on lease obligations of JTC rent for the building in Singapore, partially offset by the repayment of lease obligations.

Bank borrowings in current liabilities increased by S$0.81 million to S$7.23 million as at 31 December 2024 as a result of higher utilisation of trade facilities to finance higher inventory level of the Group towards the end of FY2024 to meet the demand of CNY2025.

Bank borrowings in non-current liabilities decreased by S$0.02 million to S$0.66 million as at 31 December 2024 from S$0.68 million as at 31 December 2023 mainly due to repayment of term loan for the property in Malaysia.

CONSOLIDATED STATEMENT OF CASH FLOWS

Cash and cash equivalents stood at S$5.82 million as at 31 December 2024. Out of the cash and cash equivalents, S$1.89 million was generated from operating activities, S$0.91 million was used in investing activities and S$0.76 million was used in financing activities.

The net cash generated from operating activities mainly comprised the operating cash flows before working capital changes of S$4.73 million, increase in inventories by S$1.64 million, increase in trade and other receivables by S$2.73 million, increase in trade and other payables by S$1.54 million and increase in refund liabilities by S$1.04 million.

The net cash used in investing activities was mainly attributable to the acquisition of property, plant and equipment of S$0.89 million.

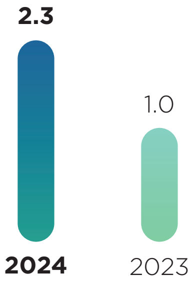
The net cash used in financing activities was mainly due to dividend paid of S$0.65 million, interest paid of S$0.38 million and net proceeds of bank borrowings of S$0.39 million in FY2024.

FINANCIAL HIGHLIGHTS

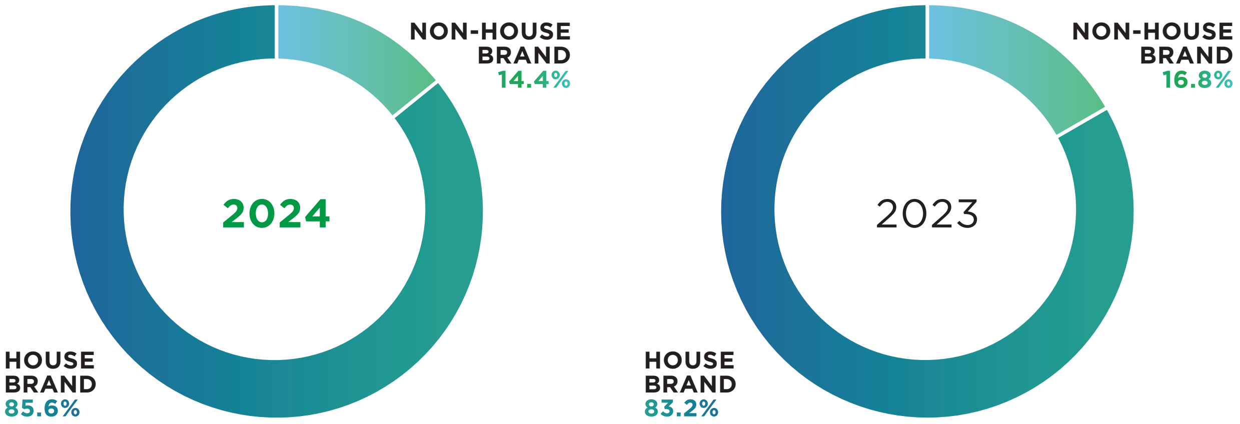
REVENUE (S$'M)

GROSS PROFIT (S$'M)

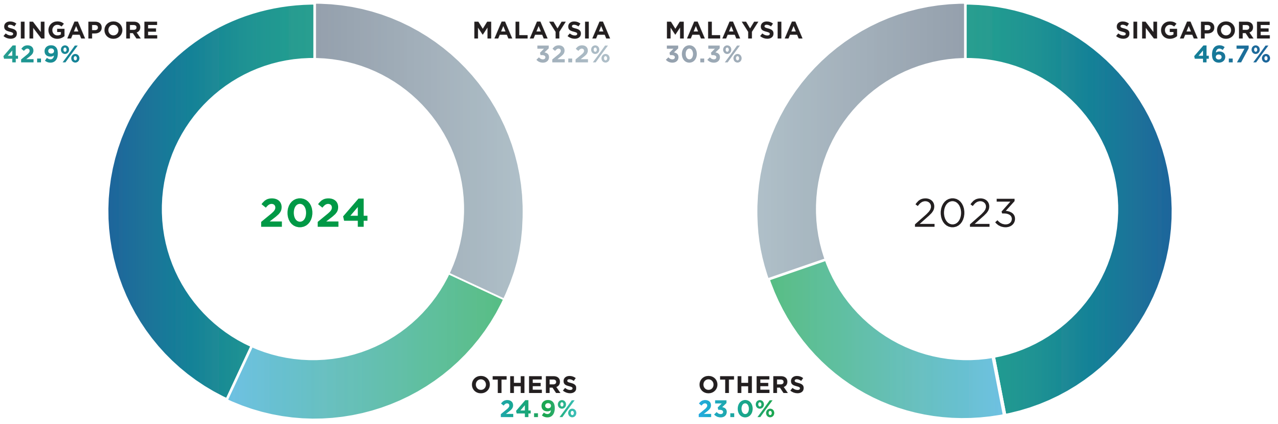
PROFIT FOR THE FINANCIAL YEAR (S$'M)



REVENUE BY OPERATING SEGMENT



REVENUE BY GEOGRAPHICAL SEGMENT



BOARD OF DIRECTORS

MR FRANCIS YAU THIAM HWA
Non-Executive Independent Chairman

Mr Francis Yau Thiam Hwa was appointed Non-Executive Independent Director of the Company on 10 August 2023. Mr Yau was re-designated as Non-Executive Independent Chairman on 30 April 2024. Mr Yau is the Chairman of the Audit, Remuneration Committees and a member of Nominating Committee.

Mr Yau is currently a CFO of Megachem Limited where he takes responsibility for all financial matters including financial and treasury planning, financial risk management and investor relations. He had several years of corporate banking experience prior to joining Megachem. Mr Yau holds a bachelor degree in Business Administration from the National University of Singapore, majoring in finance and is also a member of the Institute of Singapore Chartered Accountants.

MR LIM HAI CHEOK
Executive Director

Mr Lim Hai Cheok is the co-founder of the Group. Mr Lim was appointed Executive Director of the Company on 15 March 2004. He is also a member of the Nominating Committee. He has served as Managing Director of Hock Seng Food Pte Ltd (“HSF”) since its incorporation as a private limited company in 1982. Mr Lim is in charge of managing and guiding subsidiaries to facilitate effective execution of the Group’s strategic direction, while continuing to contribute to broader strategic planning initiatives. Prior to starting his own business, Mr Lim was involved in his family provision store business. He has more than 40 years’ experience in the FMCG market in Singapore, and was instrumental in the growth of the Group. Mr Lim is the spouse of Chong Poh Soon, father of Daniel Lim and brother of Susan Lim Kim Eng.

MR LEONG KA YEW
Non-Executive Independent Director

Mr Leong Ka Yew was appointed Non-Executive Independent Director of the Company on 28 December 2020. Mr Leong is the Chairman of the Nominating Committee and also a member of the Audit and Remuneration Committees.

He is currently a consultant to Aptus Law Corporation. He was a director of Aptus Law Corporation from 2006 to 2020. His areas of practice include corporate law.

Mr Leong holds a Bachelor of Laws (Honours) degree from National University of Singapore.

MR DANIEL LIM
Executive Director and Chief Executive Officer

Mr Daniel Lim joined the Group in 1997 and was appointed Executive Director on 15 March 2004. Mr Lim assumed the role of Chief Executive Officer from Mr Lim Hai Cheok on 1 May 2024 as part of succession planning. Mr Lim is in charge of formulating the strategic direction and growth of the Group. Mr Lim is also responsible for the brand building, procurement, and international sales of the Group’s portfolio of brands. Mr Lim graduated from Hawaii Pacific University in 1994 with a Bachelor of Science in Business Administration. Mr Lim is the son of Lim Hai Cheok and Chong Poh Soon and nephew of Susan Lim Kim Eng.

MS SUSAN LIM KIM ENG
Executive Director

Ms Susan Lim Kim Eng joined the Group in 1982 and was appointed as an Executive Director of HSF in 1994. She was appointed Executive Director of the Company on 5 July 2004. Ms Lim is in charge of the Group’s re-export business, parallel imported products, procurement and sales of third-parties’ FMCG products, shipping, insurance and liaising with bankers. Over the years, Ms Lim has been instrumental in developing the Group’s network of overseas customers and suppliers. Ms Lim is the sister of Lim Hai Cheok, sister-in-law of Chong Poh Soon and aunt of Daniel Lim.

MR WEE PIEW
Non-Executive Non-Independent Director

Mr Wee Piew was appointed Non-Executive Independent Director of the Company on 5 July 2004 and served as Non-Executive Independent Chairman from April 2017 to April 2024. Mr Wee was re-designated as Non-Executive Non-Independent Director on 30 April 2024. He is also a member of the Audit and Remuneration Committees

Mr Wee has extensive experience in senior management as he was the CEO and Executive Director of three public listed companies in Singapore – PSL Holdings Ltd, HG Metal Manufacturing Ltd and Kian Ho Bearings Ltd. Mr Wee was also a director in other public listed companies. Prior to his corporate experience, he was in corporate banking for more than 10 years with DBS Bank, ABN AMRO Bank and Vereinsbank. Mr Wee holds a Bachelor of Accountancy (Honours) from the National University of Singapore. He was a Fellow of the Institute of Singapore Chartered Accountants from 2004 to 2017.

KEY
MANAGEMENT

MADAM CHONG POH SOON
Senior Director

Madam Chong Poh Soon is the co-founder of the Group, and was appointed Executive Director of the Company on 5 July 2004. She resigned from the Board of Directors on 28 December 2020 and was redesignated as Senior Director as her working title in order to pave the way for board refreshment. She has served as a director of HSF since its incorporation in 1982. She is responsible for the Group's procurement and logistics. Madam Chong has more than 40 years' experience in the trading of canned products industry. Madam Chong is the spouse of Lim Hai Cheok, mother of Daniel Lim and sister-in-law of Susan Lim Kim Eng.

MR TAN SIAN LEONG
Chief Financial Officer

Mr Tan Sian Leong joined the Group as Chief Financial Officer on 24 April 2023. He is responsible for the corporate finance, financial management and finance matters of the Group.

Mr Tan has extensive experience in strategic planning, corporate reporting, structuring and finance. He worked as head of finance in listed and private companies and also worked in reputable audit firms. He obtained a degree of Master of Business Administration from University of Melbourne and a professional certificate from Association of Chartered Certified Accountants ("ACCA"). He is a member of the Institute of Singapore Chartered Accountants and a fellow member of ACCA.

GROUP STRUCTURE

Cash and cash equivalents stood at S$5.82 million as at 31 December 2024.

CORPORATE
GOVERNANCE REPORT

DISCLOSURE TABLE FOR ANNUAL REPORT IN COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE 2018 AND CATALIST RULES

The Board of Directors (the "**Board**" or the "**Directors**") of Hosen Group Ltd. (the "**Company**") together with its subsidiaries (the "**Group**") are committed to maintaining high standards of corporate governance and places importance on its corporate governance processes and systems so as to ensure greater accountability, transparency, sustainability and achieving long-term sustainable business performance and maximisation of long-term shareholder value.

This report outlines the Company's corporate governance practices that were in place during the financial year ended 31 December 2024 ("**FY2024**"), with specific reference made to the principles of the Code of Corporate Governance 2018 (the "**Code**").

Provision	Code and/or Guide Description	Company's Compliance or Explanation
General	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	Save as otherwise disclosed, the Company has complied with the principles and guidelines as set out in the Code, where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines of the Code?	The Company did not adopt any alternative corporate governance practices in FY2024 other than those explained in this report.

CORPORATE
GOVERNANCE REPORT

<table>
<tr><th>Provision</th><th>Code and/or Guide Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td colspan="3">BOARD MATTERS</td></tr>
<tr><td colspan="3">The Board’s Conduct of Affairs</td></tr>
<tr><td>1.1</td><td>What is the role of the Board?</td><td>The Board has six (6) members as at the end of FY2024 and comprises the following:

<table>
<tr><th colspan="2"><i>Table 1.2 – Composition of the Board</i></th></tr>
<tr><th>Name of Director</th><th>Designation</th></tr>
<tr><td>Francis Yau Thiam Hwa</td><td>Non-Executive Independent Chairman[2]</td></tr>
<tr><td>Daniel Lim</td><td>Executive Director and Chief Executive Officer (the “CEO”)[1]</td></tr>
<tr><td>Lim Hai Cheok</td><td>Executive Director</td></tr>
<tr><td>Susan Lim Kim Eng</td><td>Executive Director</td></tr>
<tr><td>Leong Ka Yew</td><td>Non-Executive Independent Director</td></tr>
<tr><td>Wee Piew</td><td>Non-Executive Non-Independent Director[2]</td></tr>
</table>

1. As part of succession planning, Mr Daniel Lim assumed the role of CEO from Mr Lim Hai Cheok with effect from 1 May 2024. Subsequent to Mr Daniel Lim’s appointment as the CEO, Mr Lim Hai Cheok was re-designated from CEO to Executive Director.
2. Following the conclusion of the annual general meeting held on 30 April 2024, Mr Francis Yau Thiam Hwa was re-designated as the Non-Executive Independent Chairman and Mr Wee Piew was re-designated as a Non-Executive Non-Independent Director.

The Board is entrusted to lead and oversee the Company, with the fundamental principle to act in the best interest of the Company. 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. In addition to its statutory duties, the Board’s principal functions are:

• supervising the management of the business and affairs of the Group;
• reviewing the financial performance of the Group;
• approving corporate and strategic directions;
• setting up the broad policies and financial objectives of the Group;
• overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
• approving the appointments to the Board, various Board committees and key management personnel;</td></tr>
</table>

CORPORATE
GOVERNANCE REPORT

<table>
<tr><th>Provision</th><th>Code and/or Guide Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>

reviewing merger, acquisition and disposal transactions;
approving annual budgets and major funding proposals;
assuming responsibility for corporate governance; and
reviewing and holding the Management accountable for its performance.

All Directors are required to avoid situations where their own personal or business interests may conflict or appear to conflict with the interest of the Company. Where a director has a conflict of interest, or it appears that he/she might have a conflict of interest in relation to any matter, he/she must immediately declare his/her interest at a meeting of the Directors or send a written notice to the Company containing details of his/her interest in the matter and the actual or potential conflict, and recuse himself/herself from participating in any discussion or decision on the matter.
</td></tr>
<tr><td>1.4
4.2
6.2
10.2</td><td>Has the Board delegated certain responsibilities to committees? If yes, please provide details.</td><td>
The Board has delegated certain responsibilities to the Audit Committee of the Company (the “AC”), the Remuneration Committee of the Company (the “RC”) and the Nominating Committee of the Company (the “NC”) (collectively, the “Board Committees”). The compositions of the Board Committees in FY2024 are as follows:
<table>
<tr><th colspan="4"><i>Table 1.4 – Composition of the Board Committees</i></th></tr>
<tr><th colspan="4">In FY2024</th></tr>
<tr><th></th><th>AC[2]</th><th>NC[2]</th><th>RC[2]</th></tr>
<tr><td>Chairman</td><td>Francis Yau Thiam Hwa[1]</td><td>Leong Ka Yew</td><td>Francis Yau Thiam Hwa[1]</td></tr>
<tr><td>Member</td><td>Leong Ka Yew</td><td>Francis Yau Thiam Hwa</td><td>Leong Ka Yew</td></tr>
<tr><td>Member</td><td>Wee Piew[2]</td><td>Lim Hai Cheok</td><td>Wee Piew[2]</td></tr>
</table>
1 Mr Francis Yau Thiam Hwa has been re-designated as the Chairman of the AC and RC since 30 April 2024.
2 On 30 April 2024, Mr Wee Piew relinquished as a member of the NC and was re-designated as a member of the AC and RC.
A Director or member of the RC is not allowed to participate in the deliberation, and has to abstain from voting on any resolution, relating to his/her own remuneration or that of employees related to him/her.
</td></tr>
</table>

<table>
<tr><th>Provision</th><th>Code and/or Guide Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td></td><td></td><td><p>The AC meets with the external auditors (“EA”) and internal auditors (“IA”) without the presence of the Management at least once a year to, amongst others, ascertain if there are any material weaknesses or control deficiencies in the Group’s financial reporting and operational systems. The AC also met without the presence of the Management at least once a year and on ad-hoc basis.</p><p>As at the end of FY2024, the relevant provisions of the Code for the AC and RC to comprise all Non-Executive Directors have been complied with.</p></td></tr>
<tr><td>1.5
1.6</td><td>Have the Board and Board Committees met in the last financial year?</td><td><p>The Board meets on a half yearly basis, and as and when circumstances require. In FY2024, the number of the Board and Board Committee meetings held and the attendance of each Board member are shown below.</p>
<table>
<tr><th colspan="5"><i>Table 1.5 – Board and Board Committee Meetings in FY2024</i></th></tr>
<tr><th></th><th>Board</th><th>AC</th><th>NC</th><th>RC</th></tr>
<tr><td>Number of Meetings Held</td><td>3</td><td>3</td><td>1</td><td>1</td></tr>
<tr><th>Name of Director</th><th colspan="4">Number of Meetings Attended</th></tr>
<tr><td>Wee Piew</td><td>3</td><td>3</td><td>1</td><td>1</td></tr>
<tr><td>Lim Hai Cheok</td><td>3</td><td>3*</td><td>1</td><td>1*</td></tr>
<tr><td>Susan Lim Kim Eng</td><td>3</td><td>3*</td><td>1*</td><td>1*</td></tr>
<tr><td>Daniel Lim</td><td>3</td><td>3*</td><td>1*</td><td>1*</td></tr>
<tr><td>Leong Ka Yew</td><td>3</td><td>3</td><td>1</td><td>1</td></tr>
<tr><td>Francis Yau Thiam Hwa</td><td>3</td><td>3</td><td>1</td><td>1</td></tr>
</table>
<p>* <i>By invitation</i></p>
<p>The Company’s Constitution (the “Constitution”) allows the Board and Board Committee meetings to be held through telephone or video communication.</p>
<p>The Management provides Directors with complete, adequate and timely information prior to meetings to enable them to make informed decisions. If there is any proposed corporate action, the Management will convene meeting(s) and furnish meeting materials prior to the meetings.</p></td></tr>
</table>

Provision	Code and/or Guide Description	Company's Compliance or Explanation
1.3	What are the types of material transactions which require approval from the Board?	Matters that require the Board's approval include, amongst others, the following: • corporate strategy and business plans; • material acquisitions and disposals; • share issuance, dividend release or changes in capital; • material interested person transactions; • budgets, financial results announcements, sustainability report, annual report and audited financial statements; • announcement publications; and • convening of general meetings.
1.2	(a) Are new Directors given formal training? If not, please explain why.	All newly appointed Directors will undergo an orientation programme where the Director will be briefed on the Group's strategic direction, governance practices, business and organisation structure as well as the expected duties of a director of a listed company. To get a better understanding of the Group's business, the Director will also be given the opportunity to visit the Group's operational facilities and meet with key management personnel. All newly appointed Directors who do not have prior experience as a director of a public listed company in Singapore will be provided with relevant training in the roles and responsibilities of a director of a listed issuer as prescribed by the Singapore Exchange and in areas such as legal and accounting where necessary.
	(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?	New and existing Directors are provided with opportunities to develop and maintain their skills and knowledge at the Company's expense. Briefings, updates and trainings for the Directors in FY2024 include: • the EA had briefed the AC on changes or amendments to accounting standards; • the Company Secretary had provided from time-to-time, updates on changes in the relevant laws, regulations and listing rules; and • the Company Secretary had recommended from time-to-time, seminars/workshops with regards to the updates of relevant regulations and listing rules organised by external professionals.

CORPORATE
GOVERNANCE REPORT

Provision	Code and/or Guide Description	Company's Compliance or Explanation
Board Composition and Guidance		
2.2 2.3	Does the Company comply with the guideline on the proportion of Independent Directors and Non-Executive Directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	The Chairman is independent, and the Board consists of two (2) Non-Executive Independent Directors, one (1) Non-Executive Non-Independent Director and three (3) Executive Directors. The Company is aware that Provision 2.3 of the Code states that Non-Executive Directors make up a majority of the Board. Currently 50% of the Company's Board are Non-Executive Directors which does not comply with Provision 2.3. However, the Board is of the view that Non-Executive Directors will dominate the decisions of the Board as the Chairman who is a Non-Executive Independent Director has a second or casting vote in decisions made by the Board, constitutes 4 votes from Non-Executive Directors as compared to 3 votes from Executive Directors. Resolutions at any board meeting shall be determined by a majority of votes.
2.1 4.4	Has the independence of the Independent Directors been reviewed in the last financial year?	The NC has reviewed and confirmed the independence of the Independent Directors in accordance with the Code and Rule 406(3)(d) of the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"). The Independent Directors have also confirmed their independence in accordance with the Code and Rule 406(3)(d) of the Catalist Rules.
	(a) Is there any Director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the Director and specify the nature of such relationship.	There are no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.
	(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	Not applicable.
2.1	Has any Independent Director served on the Board for more than nine years since the date of his first appointment? If so, please identify the Director and set out the Board's reasons for considering him independent.	There is no Independent Director who served on the Board for more than nine years since the date of his first appointment.
2.4	(a) What is the Board's policy with regard to diversity in identifying Director nominees?	The Board's policy in identifying Director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender and age so as to avoid groupthink and foster constructive debate.

<table>
<tr><th>Provision</th><th>Code and/or Guide Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td></td><td>(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.</td><td>The current Board composition provides a diversity of skills, experience, and knowledge to the Company as follows:
<table>
<tr><th colspan="3"><i>Table 2.4 – Balance and Diversity of the Board as at the end of FY2024</i></th></tr>
<tr><th></th><th>Number of Directors</th><th>Proportion of Board</th></tr>
<tr><td colspan="3">Core Competencies</td></tr>
<tr><td>– Accounting or finance</td><td>2</td><td>33.3%</td></tr>
<tr><td>– Legal</td><td>1</td><td>16.7%</td></tr>
<tr><td>– Relevant industry knowledge or experience</td><td>3</td><td>50.0%</td></tr>
<tr><td colspan="3">Gender</td></tr>
<tr><td>– Male</td><td>5</td><td>83.3%</td></tr>
<tr><td>– Female</td><td>1</td><td>16.7%</td></tr>
</table></td></tr>
<tr><td></td><td>(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?</td><td>The Board has taken the following steps to maintain or enhance its balance and diversity:
• Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
• Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.
The NC will consider the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors.
Taking into account the nature and scope of the Group’s business and the number of board committees, the Board believes that the current size of the Board and the Board composition provide sufficient diversity without interfering with efficient decision making. The Board currently has one female representation on the Board and our core competencies are shown in the Table 2.4 above.</td></tr>
</table>

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		The Board has adopted the board diversity policy with the NC being responsible for the review and monitoring of its implementation. The main objective of the policy is to have the appropriate balance of skills, talents, experience, knowledge and other aspects of diversity on the Board so that the Board would be able to approach issues and devise strategies through a greater range of perspectives and critical analysis of alternative ideas. For future appointment of Directors in the next two years, the Board will be looking to enhance the skill set and experience which include ESG related or business related domain that will add to the board effectiveness. The Board plans to seek such candidates from various sources including through the Group's network.
2.5	Have the Non-Executive Directors met in the absence of key management personnel in the last financial year?	The Non-Executive Directors have met at least once a year and on ad hoc basis in the absence of the key management personnel in FY2024. The chairman of such meetings provides feedback to the Board and/or the Chairman (as defined below) as appropriate.
Chairman and Chief Executive Officer		
3.1 3.2 3.3	Are the duties between Chairman and CEO segregated?	The Chairman of the Board (the "**Chairman**") is a Non-Executive Independent Director and the CEO is an Executive Director. The Chairman and CEO are separate persons and are not immediate family members. The duties of Chairman and CEO are segregated. In brief, the Chairman would lead the Board to ensure its effectiveness on all aspects of its role and ensure that the Directors receive complete, adequate and timely information and ensure effective communication with shareholders while the CEO would carry out the day-to-day overall management and execute the decisions made by the Board. The Chairman is a Non-Executive Independent Director who is available to shareholders of the Company where they have concerns and for which contact through the normal channels of communications with the Management are inappropriate or inadequate.
Board Membership		
4.1	What are the duties of the NC?	The NC is guided by key terms of reference as follows: • makes recommendations to the Board on all Board appointments, re-appointments and replacement of Directors (including alternate Directors, if any), the Chairman, CEO and key management personnel, having regard to each individual contribution and performance; • reviews the structure, size and composition of the Board and to make recommendations to the Board with regards to any adjustment that are deemed necessary;

Provision	Code and/or Guide Description	Company's Compliance or Explanation
		• reviews the training and professional development programmes for the Board and its Directors; • determines the criteria for identifying candidates and to assess nominations for new appointments; • determines the independence of each Director annually or as and when circumstances require in accordance with the Code's definition of independence; • reviews the Board's succession plans for Directors, CEO and key management personnel; • determines and proposes the objective performance criteria for the Board's approval and to review the Board's performance in terms of the performance criteria, assess the effectiveness of the Board as a whole; and • decides whether a director is able to and has been adequately carrying out his/her duties as a director of the Company, particularly when the Director holds multiple Board representations on other companies outside of the Group.
1.5 4.5	(a) What is the maximum number of listed company board representations that the Company has prescribed for its Directors? What are the reasons for this number?	The Board has prescribed a maximum number of board representations that can be held by each Director is 6 in order to ensure that sufficient time and attention are given to the affairs of each company.
	(b) If a maximum has not been determined, what are the reasons?	Not Applicable.
	(c) What are the specific considerations in deciding on the capacity of Directors?	The considerations in assessing the capacity of Directors include the following: • expected and/or competing time commitments of Directors; • contributions by the Directors; • geographical location of Directors; • size and composition of the Board; and • nature and scope of the Group's operations and size.

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<table>
<tr><th>Provision</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td>(d) Have the Directors adequately discharged their duties?</td><td>The key information of the Directors, including their listed company directorships and principal commitments, is set out on page 9 in this annual report. The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs and is satisfied that all Directors have discharged their duties adequately for FY2024.</td></tr>
<tr><td>4.5</td><td>Are there alternate Directors?</td><td>The Company does not have any alternate Directors.</td></tr>
<tr><td>4.3</td><td>Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new Directors and (ii) re-electing incumbent Directors.</td><td>
<table>
<tr><th colspan="3"><i>Table 4.3(a) – Process for the Selection and Appointment of New Directors</i></th></tr>
<tr><td>1.</td><td>Determination of selection criteria</td><td>• The NC, in consultation with the Board, would identify the current needs of the Board in terms of skills, experience, and knowledge to complement and strengthen the Board.</td></tr>
<tr><td>2.</td><td>Search for suitable candidates</td><td>• The NC would consider candidates proposed by the Directors, key management personnel or substantial shareholders, or may engage external search consultants where necessary.</td></tr>
<tr><td>3.</td><td>Assessment of shortlisted candidates</td><td>• The NC would meet and interview the shortlisted candidates to assess their suitability.</td></tr>
<tr><td>4.</td><td>Appointment of Director</td><td>• The NC would recommend the selected candidate to the Board for consideration and approval.</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Provision</th><th>Code and/or Guide Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><th colspan="3">Table 4.3(b) – Process for Re-electing Incumbent Directors</th></tr>
<tr><td>1.</td><td>Assessment of Director</td><td>• The NC would assess the performance of the Director in accordance with the performance criteria set by the Board; and
• The NC would also consider the current needs of the Board.</td></tr>
<tr><td>2.</td><td>Re-appointment of Director</td><td>• Subject to the NC’s satisfactory assessment, the NC would recommend the proposed re-appointment of the Director to the Board for its consideration and approval.</td></tr>
</table>
<p>Pursuant to Rule 720(4) of the Catalist Rules and Regulation 106 of the Company’s Constitution, all Directors shall submit themselves for re-election at least once every three years.</p>
<table>
<tr><th colspan="3">Table 4.3(c) – Re-election of Directors retiring at the forthcoming AGM</th></tr>
<tr><th>Name</th><th>Designation</th><th>Pursuant to</th></tr>
<tr><td>Daniel Lim</td><td>Executive Director</td><td>Regulation 106</td></tr>
<tr><td>Leong Ka Yew</td><td>Non-Executive Independent Director</td><td>Regulation 106</td></tr>
</table>
<p>The information as required under Rule 720(5) of the Catalist Rules for the Directors to be re-elected at the forthcoming AGM are set out in the Appendix to the Annual Report.</p>
<p>Directors standing for re-election at the AGM are evaluated by the other Directors on their past contributions in terms of knowledge of the industry as well as the business and operations of the company, development of strategy, the results of which are evaluated by the NC before the NC recommends the Director’s re-election for Board’s approval, and such Directors are subsequently recommended by the Board to shareholders of the Company for re-election.</p>
</td></tr>
</table>

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<table>
<tr><th>Provision</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td colspan="3"><u>Board Performance</u></td></tr>
<tr><td>5.1
5.2</td><td>What are the performance criteria set to evaluate the effectiveness of the Board as a whole and its board committees, and for assessing the contribution by each Director to the effectiveness of the Board?</td><td>Table 5 sets out the performance criteria, as recommended by the NC and approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by each Director to the effectiveness of the Board:
<table>
<tr><th colspan="3"><i>Table 5 – Performance Criteria to Evaluate Effectiveness of Board</i></th></tr>
<tr><th>Performance Criteria</th><th>Board and Board Committees</th><th>Individual Directors</th></tr>
<tr><td>Qualitative</td><td>1. Access to information
2. Board processes
3. Strategic planning
4. Board accountability
5. Risk management
6. Succession planning</td><td>1. Commitment of time
2. Knowledge and abilities
3. Teamwork
4. Independence (if applicable)
5. Overall effectiveness</td></tr>
<tr><td>Quantitative</td><td>1. Size and composition</td><td>1. Attendance at Board and Board Committee meetings</td></tr>
</table></td></tr>
<tr><td></td><td>(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?</td><td>The review of the performance of the Board and the Board Committees is conducted by the NC annually.

For FY2024, the review process was as follows:

1. (a) All Directors individually completed a board evaluation questionnaire on the effectiveness of the Board and performance evaluation forms of individual Directors standing for re-election at the forthcoming AGM based on criteria disclosed in Table 5; and

(b) All Board Committee members individually completed a board committee evaluation questionnaire on the effectiveness of the Board Committees;

2. The Company Secretary collated and submitted the questionnaire results to the NC Chairman in the form of a report; and</td></tr>
</table>

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		3. The NC discussed the report and concluded the performance results during the NC meeting. All NC members have abstained from the voting or review process of any matters in connection with the assessment of his performance. No external facilitator was engaged in the evaluation process.
	(b) Has the Board met its performance objectives?	Yes, the Board has met its performance objectives in FY2024.
1.7	What is the role of the Company Secretary?	Directors also have separate and independent access to the Management, the Company Secretary, and external advisers (where necessary) at the Company's expense. The role of the Company Secretary, the appointment and removal of whom is a matter for the Board as a whole, is as follows: • ensuring that Board procedures are observed and that the Company's Constitution, relevant rules and regulations, including requirements of the Securities and Futures Act 2001 of Singapore, the Companies Act 1967 of Singapore and the Catalist Rules, are complied with; • assisting the Chairman and the Board to implement and align corporate governance practices, with a view to enhance long-term shareholder value; • assisting the Chairman to ensure good information flows within the Board and its committees and key management personnel; • facilitating orientation and assisting with professional development as required; • training, designing and implementing a framework for key management personnel's compliance with the Catalist Rules, including timely disclosure of material information on the SGXNet; • attending and preparing minutes for board and board committee meetings; • scheduling meetings that enable the Board to perform its duties responsibly while not interfering with the flow of the Company's operations;

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Provision	Code and/or Guide Description	Company's Compliance or Explanation
		• as secretary to all the other Board Committees, the Company Secretary assists to ensure smooth coordination and liaison between the Board, the Board Committees and key management personnel; • reviewing key proposals before they are presented to the Board for consideration; and • assisting the Chairman, the chairman of each Board Committee and key management personnel in the development of the agendas for the various board and board committee meetings.
REMUNERATION MATTERS		
Developing Remuneration Policies		
6.1 6.3 7.3	What is the role of the RC?	The RC is guided by key terms of reference as follows: • reviews and recommends to the Board a framework of remuneration for each Director, whether executive or non-executive, and key management personnel that are competitive and appropriate to attract, retain and motivate Directors and key management personnel of the required quality to successfully manage the Company for the long term; • reviews and determines the specific remuneration packages and terms of employment for each Director and key management personnel; • considers all aspects of remuneration, including termination terms to ensure they are fair; and • reviews and recommends fees for Non-Executive and Independent Directors which are subject to shareholders' approval at the AGM. All RC members have abstained from the voting or review process of any matters in connection with the assessment of his own remuneration.
6.4	Were remuneration consultants engaged in the last financial year?	No remuneration consultants were engaged by the Company in FY2024.

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<table>
<tr><th>Provision</th><th>Code and/or Guide Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td colspan="3"><u>Level and Mix of Remuneration</u></td></tr>
<tr><td>7.1
7.2</td><td>What is the Company’s remuneration policy?</td><td>The Company’s remuneration policy is one that seeks to attract, retain and motivate talent to achieve the Company’s business vision and create sustainable value for its stakeholders and key management personnel to successfully manage the Company for the long term. The policy articulates to staff the link that total compensation has to the achievement of organisational and individual performance objectives and is benchmarked against relevant and comparative compensation in the market. Such performance-related remuneration ensures alignment with the interests of shareholders of the Company and other stakeholders and promotes the long-term success of the Company.

The remuneration of Non-Executive Independent Directors is considered appropriate to the level of contribution, taking into account factors such as effort, time spent, responsibilities and number of meetings attended.</td></tr>
<tr><td colspan="3"><u>Disclosure on Remuneration</u></td></tr>
<tr><td>8.1
8.3</td><td>(a) Has the Company disclosed each Director’s and the CEO’s remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</td><td>The breakdown for the remuneration of the Directors and CEO for FY2024 is as follows:
<table>
<tr><th colspan="7"><i>Table 8.1(a) – Directors’ Remuneration</i></th></tr>
<tr><th>Name</th><th>Total (S$)</th><th>Directors Fees (%)</th><th>Salary (%)</th><th>Variable and Bonus (%)</th><th>Allowance and Others[1] (%)</th><th>Total (%)</th></tr>
<tr><td>Daniel Lim</td><td>589,507</td><td>–</td><td>55</td><td>41</td><td>4</td><td>100</td></tr>
<tr><td>Lim Hai Cheok</td><td>513,899</td><td>–</td><td>43</td><td>52</td><td>5</td><td>100</td></tr>
<tr><td>Susan Lim Kim Eng</td><td>559,146</td><td>–</td><td>51</td><td>46</td><td>3</td><td>100</td></tr>
<tr><td>Francis Yau Thiam Hwa</td><td>38,000</td><td>100</td><td>–</td><td>–</td><td>–</td><td>100</td></tr>
<tr><td>Leong Ka Yew</td><td>36,000</td><td>100</td><td>–</td><td>–</td><td>–</td><td>100</td></tr>
<tr><td>Wee Piew</td><td>38,000</td><td>100</td><td>–</td><td>–</td><td>–</td><td>100</td></tr>
</table>
1. Includes employer’s CPF contribution portion.</td></tr>
</table>

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<table>
<tr><th>Provision</th><th>Code and/or Guide Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td rowspan="2">8.1
8.3</td><td>(b) Has the Company disclosed each key management personnel’s remuneration, in bands of S$250,000 or more in detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</td><td>
<p>The breakdown for the remuneration of the Company’s top 5 key management personnel (who are not Directors or the CEO) for FY2024 is as follows:</p>
<table>
<tr><th colspan="5"><i>Table 8.1 (b) – Remuneration of Key Management Personnel</i></th></tr>
<tr><th>Key management personnel</th><th>Salary (%)</th><th>Variable and Bonus (%)</th><th>Allowance and Others (%)</th><th>Total (%)</th></tr>
<tr><td colspan="5">S$250,000 to S$499,999</td></tr>
<tr><td>Executive A</td><td>43</td><td>57</td><td>–</td><td>100</td></tr>
<tr><td colspan="5">Below S$250,000</td></tr>
<tr><td>Executive B</td><td>82</td><td>18</td><td>–</td><td>100</td></tr>
<tr><td>Executive C</td><td>24</td><td>74</td><td>2</td><td>100</td></tr>
<tr><td>Executive D</td><td>80</td><td>11</td><td>9</td><td>100</td></tr>
<tr><td>Executive E</td><td>59</td><td>–</td><td>41[1]</td><td>100</td></tr>
</table>
<p><i>(All the above remuneration includes employer’s CPF/EPF contribution portion.)</i></p>
<p>1. include a one-off retirement gratuity token in recognition of the long-standing service.</p>
<p>After reviewing the industry practice and analysing the advantages and disadvantages in relation to the disclosure of remuneration of each key management personnel, the Company is of the view that such disclosure would be prejudicial to its business interest given the highly competitive environment. The names of the key management personnel are not disclosed to avoid from any possible poaching.</p>
<p>Save as disclosed under footnote 1 of Table 8.1(b), there were no termination, retirement and post-termination benefits given to Directors and key management personnel for the financial year in review.</p>
</td></tr>
<tr><td>(c) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).</td><td>The total remuneration paid/payable to the top 5 key management personnel for FY2024 was approximately S$1,149,000.</td></tr>
</table>

Provision	Code and/or Guide Description	Company's Compliance or Explanation
8.2	Is there any employee who is a substantial shareholder of the Company, or an immediate family member of a director, the CEO, or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 during the last financial year? If so, please identify the employee and specify the relationship with the relevant Director or the CEO.	Madam Chong Poh Soon, Senior Director, is a substantial shareholder of the Company. She is also the spouse of Mr Lim Hai Cheok, an Executive Director and a substantial shareholder of the Company, the mother of Mr Daniel Lim, an Executive Director and CEO of the Company and the sister in-law of Ms Susan Lim Kim Eng, an Executive Director and substantial shareholder of the Company. Her remuneration exceeds S$100,000 in FY2024 and was within the bands of S$300,000 to S$400,000. Save for Madam Chong Poh Soon, there is no other employee of the Group who is a substantial shareholder of the Company, or an immediate family of a director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeded S$100,000 in FY2024.
8.3	Please provide details of the employee share scheme(s).	There were no share options granted to any employees in FY2024.
7.1	(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.	The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2024. Their remuneration is made up of fixed and variable compensations. The fixed compensation is in the form of base salary and allowance. The variable compensation, including bonus and other variable remuneration such as share options, is determined based on the Group's or Company's performance and the individual performance.

<table>
<tr><th>Provision</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td rowspan="2"></td><td>(b) What were the performance conditions used to determine their entitlement under the short term and long term incentive schemes?</td><td>The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in alignment with the goals of all stakeholders:
<table>
<tr><td colspan="3"><i>Table 7.1(b) – Performance Conditions for Entitlement to Incentives</i></td></tr>
<tr><th>Performance Conditions</th><th>Short-term Incentives</th><th>Long-term Incentives</th></tr>
<tr><td>Qualitative</td><td>1. Leadership
2. Commitment
3. Teamwork
4. Macro-economic factors</td><td>1. Current market and industry practices
2. Rank
3. Years of Service</td></tr>
<tr><td>Quantitative</td><td>1. Performance of the Group</td><td>1. Performance of the Group</td></tr>
</table></td></tr>
<tr><td>(c) Were all of these performance conditions met? If not, what were the reasons?</td><td>Yes, the RC has reviewed and is satisfied that the performance conditions were met for FY2024.</td></tr>
<tr><td colspan="3">ACCOUNTABILITY AND AUDIT</td></tr>
<tr><td colspan="3"><u>Risk Management and Internal Controls</u></td></tr>
<tr><td>9.1
9.2</td><td>(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.</td><td>While there is no specific Board Risk Committee being set-up, the Board is responsible for the governance of risk and ensures that the Management maintains a sound system of risk management and internal controls to safeguard the interests of the Company and its shareholders. The Board determines the nature and extent of the risks which the Company is willing to take to achieve its strategic objectives and value creation.

In order to manage the Group's risks adequately and effectively, the AC as well as the Board had reviewed the risks overview and identified counter measures to manage the risks at an acceptable level as well as reviewing the adequacy and effectiveness of the internal controls and risk management systems put in place to mitigate the risks.</td></tr>
</table>

Provision	**Code and/or Guide Description**	**Company's Compliance or Explanation**
		The Group's material risks can be broadly classified as follows: **Business/Operational Risks** These relate to the Group's operations and includes relevant laws and regulations, updates in the food industry, security threats, quality of products, employee attribution and increased competition. The respective business unit heads would be responsible to monitor such risks as described below.– We obtain certifications to achieve standardisation of processes and best practices. The Company has obtained from Singapore Food Agency, in short, commonly known as "SFA" for the import and export of our fish and meat products, various health certificates, and other food certificates to ensure the supply of the food products are safe to all our customers. Our own chocolate factory strictly follows the principles and standards in Hazard Analysis and Critical Control Point (in short, commonly known as "**HACCP**"), an internationally recognised system to reduce the risk of safety hazards in the food industry and it also obtained HALAL certification, with which our chocolate products can be sold to Muslim consumers. We conduct regular reviews of policies and authority limits to ensure that they remain relevant in meeting the changing business requirements. **Compliance Risks** Compliance with local laws and regulations in the countries where the Group is operating and are monitored by the Executive Directors, the business unit heads and/or finance department led by the Chief Financial Officer ("**CFO**"). **Financial Risks** These risks are set out in the notes to the financial statements. Generally, the Group is conservative in its financial dealings and does not engage in speculative instruments that would expose the Group to unnecessary financial risks. The Board, with the concurrence of the AC, is of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective for FY2024.

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Provision	Code and/or Guide Description	Company's Compliance or Explanation
		The bases for the Board's view are as follows: 1. Assurance received from the CEO and CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; 2. Assurance received from other key management and department heads of subsidiaries who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems; 3. An internal audit has been done by the IA and significant matters highlighted to the AC and key management personnel were appropriately addressed; 4. Key management personnel regularly evaluates, monitors and reports to the AC on material risks; and 5. Discussions were held between the AC and the EA/IA in the absence of the key management personnel to review and address any potential concerns. The Company is gradually placing emphasis on sustainability and would implement appropriate policies and programmes when the opportunities arise.
	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the IA that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	Yes, the Board has obtained such assurance from the CEO and CFO in respect of FY2024. The Board has additionally relied on the IA's report issued to the Company for its review for the FY2024 to assure that the Company's risk management and internal controls are adequate and effective.

Provision	**Code and/or Guide Description**	**Company's Compliance or Explanation**
Audit Committee		
10.1 10.2 10.3 10.4	What is the role of the AC?	None of the AC members were previous partners or Directors of the Company's external and internal audit firms within the last two years and none of the AC members hold any financial interest in the external and internal audit firms engaged. Two of the AC members including the AC chairman possess the relevant accounting/financial management expertise or experience. The AC is guided by the following key terms of reference: • reviews the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the company's financial performance; • reviews the adequacy and effectiveness of the company's internal controls and risk management systems at least annually; • reviews the assurance from the CEO and the CFO on the financial records and financial statements; • makes recommendations to the Board on both the proposals to the shareholders on the appointment and removal of EA and IA and the remuneration and terms of engagement of the EA and IA; • reviews the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; • 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 up on; • reviews the audit plans of the EA, the audit reports and management letters issued by the EA and the co-operation given by the Company's Management to the EA; • reviews the nature and extent of non-audit services provided by the EA; • reviews cost effectiveness and the independence and objectivity of the EA;

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Provision</th><th>Code and/or Guide Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>• makes recommendations to the Board on the appointment, re-appointment and termination of the EA and IA, and to review the remuneration and terms of engagement of the EA and IA;
• reviews the financial reports so as to ensure the integrity of the financial statements of the Company and Group, and focus in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit and compliance with financial reporting standards;
• reviews announcements of the Company’s half-year and full-year financial results before submission to the Board for approval for release to the SGX-ST;
• undertakes such other functions, duties, reviews and projects as may be requested by the Board or as may be required by the statutes or the Catalist Rules;
• reviews effectiveness of the Company’s material internal controls, including financial, operational, compliance and information technology controls and risk management policies and reviews the findings of the IA;
• meets with the EA and IA separately without the presence of the Management at least once a year; and
• reviews interested person transactions in accordance with the requirements as defined in the Catalist Rules.</td></tr>
<tr><td>10.5</td><td>Has the AC met with the auditor in the absence of key management personnel?</td><td>Yes, the AC has met with the EA and IA in the absence of the Company’s key management personnel in FY2024.</td></tr>
<tr><td>10.1</td><td>Has the AC reviewed the independence of the EA?</td><td>The AC has reviewed the non-audit services provided by the EA and is satisfied that the nature and extent of such services would not prejudice the independence of the EA.</td></tr>
<tr><td></td><td>(a) Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.</td><td>
<table>
<tr><th colspan="3"><i>Table 10.1(a) – Fees Paid/Payable to the EA for FY2024</i></th></tr>
<tr><th></th><th>S$</th><th>% of total</th></tr>
<tr><td>Audit fees</td><td>119,800</td><td>77</td></tr>
<tr><td>Non-audit fees
(a) Audited-related services
– Information technology review
(b) Non audited-related services
– tax compliance</td><td>

1,500

34,900</td><td>

1

22</td></tr>
<tr><td>Total</td><td>156,200</td><td>100</td></tr>
</table>
</td></tr>
</table>

CORPORATE
GOVERNANCE REPORT

Provision	Code and/or Guide Description	Company's Compliance or Explanation
	(b) If the EA have supplied a substantial volume of non-audit services to the Company, please state the bases for the AC's view on the independence of the EA.	The AC has reviewed and is of the opinion that the non-audit services rendered during FY2024 were not substantial and the nature and extent of such services would not prejudice the independence of the EA, and thus recommended the re-appointment of the EA at the forthcoming AGM.
10.1	Does the Company have a whistle-blowing policy?	The Company has put in place a whistle-blowing policy which sets out the procedures for a whistle-blower to make a report to the issuer on misconduct or wrongdoing relating to the Company and its officers. The Company's staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistle-blowing report to the chairman of AC via ac.hockseng@gmail.com. To facilitate participation by external parties, the policy is also available on the Company's website at http://www.hosengroup.com/contact-php. There were no whistle-blowing incidents reported in FY2024. The AC is responsible for oversight and monitoring of whistle-blowing. The Company has an independent Investigation Committee, comprising of the chairman and members of the AC, to investigate whistle-blowing reports made by whistle-blowers in good faith. The Investigation Committee views whistle-blowing seriously and would not allow the whistle-blower(s) to be victimized and keeps the identity of whistle-blower confidential. The Group has zero tolerance on fraudulent and corrupt practices that may disrupt the business operations and impede the growth of the business due to the loss of trust in our Company that we have built over the years. The Company has established an anti-corruption policy, and this has been disseminated to our employees and business partners. The policy is also posted on the Company's website.
1.2	What are the AC's activities or the measures it has taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements?	In FY2024, the AC was updated by the EA with respect to revisions to the accounting standards.

CORPORATE
GOVERNANCE REPORT

Provision	Code and/or Guide Description	Company's Compliance or Explanation
10.4	Please provide details of the Company's internal audit function, if any.	In FY2024, the Company's internal audit function is outsourced to HLS Risk Advisory Services Pte. Ltd., being the Company's IA, which is independent of the external audit function and from the Group. The IA reports directly to the AC chairman and administratively to the CEO. The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. In FY2024, the AC has reviewed the scope of the internal audit function, the IA's reports, proposed follow-up actions implemented by the Management and has noted that the necessary co-operation required from the Management had been provided to enable the IA to perform its function effectively. In addition to the above, the AC had also reviewed the experience of the IA, including the assigned engagement personnel's experience and is satisfied that the IA is independent, effective and adequately qualified (given, *inter alia*, its adherence to standards set by nationally recognised professional bodies) and resourced, and has the appropriate standing in the Company to discharge its duties effectively with unfettered access to all the Company's documents, records, properties and personal, including the AC.
SHAREHOLDER RIGHTS AND ENGAGEMENT		
Shareholder Rights and Conduct of General Meetings		
12.2	Does the Company have an investor relations policy?	The Company currently does not have an investor relations policy but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders. Investors may nevertheless contact the Company through the contact portal at http://www.hosengroup.com/contact-php.
12.1 12.3	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	The Company solicits feedback from and addresses the concerns of shareholders through the contact portal at http://www.hosengroup.com/contact-php. The Company also solicits feedback from and addresses the concerns of shareholders through its general meetings held.
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	The Executive Directors manages investor relations via the Company's corporate website on an ongoing basis.

CORPORATE
GOVERNANCE REPORT

Provision	Code and/or Guide Description	Company's Compliance or Explanation
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNet announcements and the annual report?	Apart from the SGXNet announcements and its annual report, the Company updates its shareholders on its corporate developments and events through its corporate website at www.hosengroup.com.
11.6	Does the Company have a dividend policy?	The Company does not have a fixed dividend policy. Nonetheless, the Management will review, *inter alia*, the Group's performance in the relevant financial period, projected capital needs and working capital requirements and make appropriate recommendations to the Board on dividend declaration.
11.1 11.2 11.3 11.4 11.5	How are the general meetings of shareholders conducted?	The Company provides its shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing the general meetings of shareholders. The Company tables separate resolutions at the general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting. All Directors attend general meetings of shareholders, and the EA are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. At the Company's last AGM held on 30 April 2024, all the Directors and the EA attended the AGM. Shareholders participated in the AGM physically and shareholders were invited to submit the questions to the Chairman in advance of the AGM. Shareholders are allowed to appoint proxies or the chairman of the Meeting to attend and vote in the general meetings on their behalf. Shareholders may decide how their votes are to be cast by indicating their votes in the proxy form in case their proxies are unable to attend on the date of general meetings. The Company has adopted poll voting for its general meetings of shareholders. The detailed results including the total number and percentage of votes cast for and against each resolution will be announced via SGXNet after the conclusion of the general meetings. The Company allows absent shareholders to appoint proxies to vote on their behalf at general meetings. All minutes of general meetings will be made available on SGXNet within one (1) month after the general meetings.

CORPORATE GOVERNANCE REPORT

Provision	Code and/or Guide Description	Company's Compliance or Explanation
		While the Company notes of the requirement for the Company to publish minutes of all general meetings of the Company on the corporate website of the Company as soon as practicable pursuant to Provision 11.5 of the Code, the Company is of the view that it is sufficient for such information to be only made available on the SGXNet, taking into consideration that it is the main mode of communication of material information to shareholders of the Company.
MANAGING STAKEHOLDERS RELATIONS		
Engagement with Stakeholders		
13.1 13.2 13.3	Does the Company manage its relationships with stakeholders?	The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups. The Company publishes through the SGXNet its annual sustainability report, which discloses its strategy and key areas of focus in relation to the management of stakeholder relationships, within four months after the financial year closes. The Company maintains a current corporate website at www.hosengroup.com to communicate and engage with stakeholders.

COMPLIANCE WITH APPLICABLE CATALIST RULES		
Catalist Rule	**Rule Description**	**Company's Compliance or Explanation**
711A	Sustainability Report	The Company will release its Sustainability Report concurrently with its annual report every year and the Sustainability Report is available on the SGXNet.
712, 715 or 716	Appointment of Auditor	The Company confirms its compliance to Catalist Rules 712 and 715. The EA are registered with Accounting and Corporate Regulatory Authority.
1204(8)	Material Contracts	There were no material contracts entered into by the Group involving the interest of the CEO, any Directors, or controlling shareholder, which are either still subsisting at the end of FY2024 or if not then subsisting, entered into since the end of the previous financial year.
1204(10)	Confirmation of adequacy and effectiveness of internal controls	The Board and the AC are of the opinion that the internal controls are adequate and effective to address the financial, operational, compliance and information technology risks based on the following: • internal controls and the risk management system established by the Company; • work performed by the IA; • assurance from the CEO and CFO; and • regular reviews done by the key management personnel.

CORPORATE
GOVERNANCE REPORT

COMPLIANCE WITH APPLICABLE CATALIST RULES		
Catalist Rule	**Rule Description**	**Company's Compliance or Explanation**
1204(17)	Interested Persons Transaction (“**IPT**”)	The Group has procedures governing all IPTs to ensure that they are properly documented and reported in a timely manner to the AC and that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. The Company maintains an IPT register to record and monitor transactions with such interested persons and an IPT summary report is reviewed by the AC and the Board at least twice a year. There were no IPTs with value more than S$100,000 transacted during FY2024.
1204(19)	Dealing in Securities	The Company has adopted an internal policy which prohibits the Directors and key officers from dealing in the securities of the Company while in possession of price-sensitive information. The Company, its Directors and key management officers are also discouraged from dealing in the Company's securities on short-term considerations and are prohibited from dealing in the Company's securities during the period beginning one month before the announcement of the Company's half-year and full-year financial statements respectively, and ending on the following day after the announcement of the relevant results. The guidelines on the conduct of share buybacks released by the SGX-ST also provides that the Company will not effect any purchases or acquisition of shares on the SGX-ST during the period of one month immediately preceding the announcement of the Company's half year results and full year results.
1204(21)	Non-sponsor fees	No non-sponsor fees were paid/payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd., for FY2024.

DIRECTORS' STATEMENT

The Directors of Hosen Group Ltd. (the "Company") present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2024 and the statement of financial position of the Company as at 31 December 2024.

1. Opinion of the Directors

In the opinion of the Board of Directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company together with the notes thereon are drawn up so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

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

Yau Thiam Hwa	(Non-Executive Independent Chairman)
Lim Hock Chye Daniel	(Executive Director and Chief Executive Officer)
Lim Hai Cheok	(Executive Director)
Lim Kim Eng	(Executive Director)
Wee Piew	(Non-Executive Non-Independent Chairman)
Leong Ka Yew	(Non-Executive Independent Director)

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 object 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.

DIRECTORS'
STATEMENT

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 shares or 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 follows:

Name of Directors in which interests are held	**Shareholdings registered in name of Director or nominee**		**Shareholdings in which Director is deemed to have an interest**	
	At beginning of year	**At end of year**	**At beginning of year**	**At end of year**
Company:				
Hosen Group Ltd.				
(No. of ordinary shares)				
Lim Hai Cheok	65,000,000	65,000,000	64,843,750	64,843,750
Lim Kim Eng	17,812,500	17,812,500	–	–
Lim Hock Chye Daniel	6,613,000	8,841,200	–	–

By virtue of Section 7 of the Act, Mr. Lim Hai Cheok is deemed to have an interest in all related corporations of the Company. In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company state that, according to the Register of the Directors' Shareholdings, the Directors' interests as at 21 January 2025 in the shares or debentures of the Company have not changed from those disclosed as at 31 December 2024.

5. Share options

The Company has implemented a share option scheme known as the "Hosen Employee Share Option Scheme 2014" ("ESOS"). The ESOS was approved and adopted by the Shareholders at an Extraordinary General Meeting of the Company held on 29 April 2014. The ESOS is administered by the Remuneration Committee. No share options have been granted under the ESOS. The ESOS has expired as at year end.

There were no share options granted by the Company or its subsidiary corporations 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 subsidiary corporations.

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

DIRECTORS' STATEMENT

6. Audit Committee

The Audit Committee ("AC") during the financial year and at the date of this statement comprises the following members, all of whom are independent, non-independent and Non-Executive Directors of the Company:

Yau Thiam Hwa	(Chairman of AC)
Leong Ka Yew	
Wee Piew	

The Audit Committee has met three times since the last Annual General Meeting ("AGM") and has carried out its functions in accordance with section 201B(5) of the Act, including reviewing the following, where relevant, with the Executive Directors and external and internal auditors of the Company:

(a) the audit plans of the internal and external auditors and the results of the auditors' examination and evaluation of the Group's systems of internal accounting controls;

(b) the Company's and the Group's financial and operating results and accounting policies;

(c) the statement of financial position of the Company and the consolidated financial statements of the Group and external auditor's report on those financial statements before their submission to the Directors of the Company;

(d) the half-year and full-year announcements as well as the related press releases on the results and financial position of the Company and the Group;

(e) the co-operation and assistance given by the management to the Company's internal and external auditors;

(f) the re-appointment of the external auditor of the Company; and

(g) the Interested Person Transactions as defined in Chapter 9 of the Listing Manual of SGX-ST as is required by SGX-ST and ensures that the transactions were on normal commercial terms and not prejudiced to the interests of the members of the Company.

The Audit Committee confirmed that it has undertaken a review of all non-audit services provided by the external auditor to the Group and is satisfied that the nature and extent of such services would not affect the independence of the external auditor.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any Director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the Board of Directors the nomination of BDO LLP for re-appointment as external auditor of the Company at the forthcoming AGM of the Company.

7. Independent auditor

The independent auditor, BDO LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Lim Hai Cheok Director	**Lim Hock Chye Daniel** Director

27 March 2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HOSEN GROUP LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hosen Group Ltd. (the "Company") and its subsidiaries (the "Group"), as set out on page 49 to 101 which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024;
- 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.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (Continued)

1 Revenue recognition

The Group is primarily engaged in the importation, exportation and distribution of fast-moving consumer goods. Majority of the Group's revenue consist of straight-forward product sales where revenue is recognised at a point in time when the Group transfers to the buyer the control of goods and it is probable that the agreed consideration will be received.

As part of the customary business practices, the Group accepts returns of goods from customers that give rise to variable consideration which reduces revenue. Management uses the expected value method which analyses the historical purchasing patterns and product returns of customers, including seasonal trends, to develop its estimation. The trend is dependent on market and economic factors which may affect customers' behaviour. As at 31 December 2024, the Group recognised refund liabilities for return of goods and the assets recognised from rights to the recovered goods amounting to $1,896,000 and $1,329,000 respectively, as disclosed in Notes 15 and 21.

We have determined revenue recognition as a key audit matter due to the volume of revenue transactions and the significant estimates involved in the assessment of sales returns.

Related Disclosures

Refer to Notes 2.7, 3.2(i), 15 and 21 of the accompanying financial statements.

Audit Response

Our procedures included, amongst others, the following:

- We evaluated the appropriateness of the Group's revenue recognition accounting policies;

- We performed internal controls testing on the key controls identified in the revenue cycle;

- We performed cut-off procedures for a sample of revenue transactions, before and after the financial year, by examining relevant supporting documents such as acknowledged delivery orders/shipping documents and invoices to evaluate whether control has been passed so as to check whether the related goods or services are recognised in the appropriate financial year;

- We assessed the reasonableness of management's estimates and key assumptions used in the computation of sales returns by discussing with management to understand the basis of sales returns rate applied, performed retrospective review of historical data by comparing the sales returns over total revenue and performed re-computation of the sales returns rate; and

- We assessed the adequacy of the related disclosures in the financial statements.

INDEPENDENT
AUDITOR'S REPORT

TO THE MEMBERS OF HOSEN GROUP LTD.

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HOSEN GROUP LTD.

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Philip Aw Vern Chun.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
27 March 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		Group		Company	
	Note	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Non-current assets					
Property, plant and equipment	4	**18,012**	17,359	**-**	–
Intangible asset	5	**108**	143	**-**	–
Investments in subsidiaries	6	**-**	–	**13,136**	11,408
Financial assets, at fair value through profit or loss	7	**98**	96	**-**	–
Financial assets, at fair value through other comprehensive income	8	**-**	–	**-**	–
Deferred tax assets	9	**110**	38	**-**	–
		18,328	17,636	**13,136**	11,408
Current assets					
Inventories	10	**17,311**	15,794	**-**	–
Trade and other receivables	11	**15,681**	12,763	**10,155**	10,970
Other current assets	21	**1,329**	882	**-**	–
Financial assets, at fair value through profit or loss	7	**2**	3	**-**	–
Fixed deposits	12	**34**	31	**-**	–
Cash and bank balances	13	**5,816**	5,408	**56**	57
		40,173	34,881	**10,211**	11,027
Less: **Current liabilities**					
Trade and other payables	14	**8,532**	6,788	**315**	200
Refund liabilities	15	**2,698**	1,660	**-**	–
Current income tax payable		**454**	295	**40**	33
Lease liabilities	16	**122**	106	**-**	–
Bank borrowings	17	**7,230**	6,424	**-**	–
		19,036	15,273	**355**	233
Net current assets		**21,137**	19,608	**9,856**	10,794
Less: **Non-current liabilities**					
Other payable	14	**384**	384	**-**	–
Lease liabilities	16	**2,728**	2,426	**-**	–
Bank borrowings	17	**659**	675	**-**	–
Deferred tax liabilities	9	**241**	313	**24**	24
		4,012	3,798	**24**	24
Net assets		**35,453**	33,446	**22,968**	22,178
Equity					
Share capital	18	**24,777**	24,777	**24,777**	24,777
Foreign currency translation account	19	**(211)**	(595)	**-**	–
Fair value reserve	20	**(49)**	(49)	**-**	–
Retained earnings/(Accumulated losses)		**10,936**	9,612	**(1,809)**	(2,599)
Equity attributable to owners of the parent		**35,453**	33,745	**22,968**	22,178
Non-controlling interests		**-**	(299)	**-**	–
Total equity		**35,453**	33,446	**22,968**	22,178

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

CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 $'000	2023 $'000
Revenue	21	**72,750**	67,297
Cost of sales		**(55,672)**	(52,330)
Gross profit		**17,078**	14,967
Other income	22	**1,646**	970
Selling and distribution expenses		**(3,538)**	(2,983)
Administrative expenses		**(9,290)**	(8,138)
Other expenses		**(2,190)**	(2,743)
Loss allowance (made)/reversed on third party trade receivables	11	**(368)**	19
Finance costs	23	**(382)**	(458)
Profit before income tax	24	**2,956**	1,634
Income tax expense	25	**(680)**	(666)
Profit for the financial year		**2,276**	968
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**381**	(476)
Other comprehensive income for the financial year, net of tax		**381**	(476)
Total comprehensive income for the financial year, attributable to owners of the parent		**2,657**	492
Profit attributable to:			
Owners of the parent		**1,974**	986
Non-controlling interests		**302**	(18)
		2,276	968
Total comprehensive income attributable to:			
Owners of the parent		**2,358**	505
Non-controlling interests		**299**	(13)
		2,657	492
Earnings per share			
– Basic and diluted (in cents)	26	**0.61**	0.30

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

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Share capital $'000	Foreign currency translation account $'000	Fair value reserve $'000	Retained earnings $'000	Equity attributable to owners of the parent $'000	Non-controlling interests $'000	Total $'000
Balance at 1 January 2024		**24,777**	**(595)**	**(49)**	**9,612**	**33,745**	**(299)**	**33,446**
Profit for the financial year		**-**	**-**	**-**	**1,974**	**1,974**	**302**	**2,276**
Exchange differences on translating foreign operations	19	**-**	**384**	**-**	**-**	**384**	**(3)**	**381**
Total comprehensive income for the financial year		**-**	**384**	**-**	**1,974**	**2,358**	**299**	**2,657**
Transactions with owners:								
Dividends	27	**-**	**-**	**-**	**(650)**	**(650)**	**-**	**(650)**
Balance at 31 December 2024		**24,777**	**(211)**	**(49)**	**10,936**	**35,453**	**-**	**35,453**
Balance at 1 January 2023		24,777	(114)	(49)	9,276	33,890	(286)	33,604
Profit for the financial year		-	-	-	986	986	(18)	968
Exchange differences on translating foreign operations	19	-	(481)	-	-	(481)	5	(476)
Total comprehensive income for the financial year		-	(481)	-	986	505	(13)	492
Transactions with owners:								
Dividends	27	-	-	-	(650)	(650)	-	(650)
Balance at 31 December 2023		24,777	(595)	(49)	9,612	33,745	(299)	33,446

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

CONSOLIDATED STATEMENT OF
CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 $'000	2023 $'000
Operating activities			
Profit before income tax		**2,956**	1,634
Adjustments for:			
Loss allowance made/(reversed) on third party trade receivables	11	**368**	(19)
Bad debt written off	24	**-**	24
Write-down of inventories	24	**400**	716
Amortisation of intangible asset	24	**63**	62
Depreciation of property, plant and equipment	4	**1,104**	1,098
Gain on disposal of a subsidiary	6	**(302)**	–
Property, plant and equipment written off		**7**	–
Fair value (gain)/loss arising from financial assets, at fair value through profit or loss		**(1)**	8
Gain on disposal of property, plant and equipment	22	**(11)**	(50)
Interest expense	23	**382**	458
Interest income	22	**(55)**	(35)
Unrealised exchange gain		**(178)**	(46)
Operating cash flows before working capital changes		**4,733**	3,850
Working capital changes:			
Inventories		**(1,638)**	911
Trade and other receivables		**(2,727)**	3,158
Trade and other payables		**1,536**	351
Other current assets		**(447)**	104
Refund liabilities		**1,038**	(262)
Cash generated from operations		**2,495**	8,112
Income tax paid		**(658)**	(814)
Interest received		**55**	35
Net cash from operating activities		**1,892**	7,333
Investing activities			
Proceeds from disposal of property, plant and equipment		**11**	50
Purchase of property, plant and equipment	4	**(889)**	(304)
Purchase of intangible asset	5	**(28)**	–
Financial assets, at fair value through profit or loss	7	**-**	(100)
Increase in fixed deposits		**-**	100
Net cash used in investing activities		**(906)**	(254)

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

CONSOLIDATED STATEMENT OF
CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 $'000	2023 $'000
Financing activities			
Dividend paid	27	**(650)**	(650)
Fixed deposits pledged		**(3)**	(1)
Interest paid		**(382)**	(458)
Repayment of lease liabilities	A	**(114)**	(120)
Proceeds from bank borrowings	A	**29,780**	23,443
Repayment of bank borrowings	A	**(29,388)**	(29,152)
Net cash used in financing activities		**(757)**	(6,938)
Net change in cash and cash equivalents		**229**	141
Cash and cash equivalents at beginning of financial year		**5,408**	5,416
Net effect of exchange rate changes on cash and cash equivalents		**179**	(149)
Cash and cash equivalents at end of financial year	13	**5,816**	5,408

Note A: Reconciliation of liabilities arising from financing activities

			Non-cash changes				
	1.1.2024 $'000	**Cash flows $'000**	**Additions of property, plant and equipment $'000**	**Derecognition of right-of-use asset $'000**	**Variable lease payment $'000**	**Foreign exchange differences $'000**	**31.12.2024 $'000**
Lease liabilities (Note 16)	2,532	(114)	299	–	133	–	2,850
Bank borrowings (Note 17)	7,099	392	198	–	–	200	7,889

			Non-cash changes				
	1.1.2023 $'000	**Cash flows $'000**	**Additions of property, plant and equipment $'000**	**Derecognition of right-of-use asset $'000**	**Variable lease payment $'000**	**Foreign exchange differences $'000**	**31.12.2023 $'000**
Lease liabilities (Note 16)	2,420	(120)	34	(8)	206	–	2,532
Bank borrowings (Note 17)	13,029	(5,709)	–	–	–	(221)	7,099

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

NOTES TO THE
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 CORPORATE INFORMATION

Hosen Group Ltd. (the "Company") (Registration Number: 200403029E) is a public company limited by shares incorporated and domiciled in Singapore with its principal place of business and registered office at 267 Pandan Loop, Singapore 128439. The Company is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

The ultimate controlling parties of the Company and its subsidiaries (the "Group") are Mr. Lim Hai Cheok and his spouse, Mdm. Chong Poh Soon.

The statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2024 were authorised for issue in accordance with a directors' resolution dated 27 March 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation of financial statements

The 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 relevant notes to the financial statements. All accounting policies have been consistently applied to the current financial year and comparative period, unless otherwise stated.

Where an accounting policy information is not disclosed in the financial statements, it is considered as not material and mainly standardised accounting requirements. The accounting policy information that are material and necessary for the understanding of the financial statements are disclosed in the Note 2 of the financial statements.

The individual financial statements of each entity within the Group are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar ("$") which is the functional currency of the Company and the presentation currency for the consolidated financial statements and all values presented are rounded to the nearest thousand ("$'000"), unless otherwise stated.

The preparation of financial statements in compliance with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. 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 summarised below and detailed disclosures are included in Note 3 to the financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of preparation of financial statements (Continued)

New standards, amendments and interpretations effective from 1 January 2024

The standards, amendments to standards, and interpretations, issued by Accounting Standards Council Singapore ("ASC") that will apply for the first time by the Group are not expected to impact the Group as they are either not relevant to the Group's business activities or require accounting which is consistent with the Group's current accounting policies.

New standards, amendments and interpretations issued but not yet effective

There are a number of standards, amendments to standards, and interpretations that are effective in future accounting periods and the Group has not decided to early adopt. The Group does not expect any of these standards upon adoption will have a material impact to the Group except as disclosed below:

SFRS(I) 18 Presentation and Disclosure in Financial Statements

The SFRS(I) 18 replaces SFRS(I) 1-1 *Presentation of Financial Statements* and provides guidance on presentation and disclosure in financial statements, focus on the statement of profit or loss.

SFRS(I) 18 introduces:

- New structure on statement of profit or loss with defined subtotals;
- Disclosure related to management-defined performance measures (MPMs), which are measures of financial performance based on a total or sub-total required by accounting standards with adjustments made (e.g. 'adjusted profit or loss'). A reconciliation of MPMs to the nearest total or subtotal calculated in accordance with accounting standards; and
- Enhanced principles on aggregation and disaggregation of financial information which apply to the primary financial statements and notes in general.

SFRS(I) 18 will take effect on 1 January 2027 and management anticipates that the new requirements will change the current presentation and disclosure in the financial statements. An impact assessment regarding the adoption of SFRS(I) 18 is still underway and has not yet been completed.

2.2 Property, plant and equipment

All items of property, plant and equipment are initially recognised at cost.

Property, plant and equipment are subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Property, plant and equipment (Continued)

Depreciation is calculated using the straight-line method to allocate the depreciable amounts of the property, plant and equipment over their estimated useful lives as follows:

	Years
Freehold building	33
Leasehold land and buildings	30 to 60
Premises	2
Plant and machinery	5 to 10
Motor vehicles	5
Office equipment and furnishings	3 to 10
Computers	3 to 5

Freehold land has indefinite useful life and is not depreciated.

2.3 Leases

As lessee

All leases are accounted for by recognising a right-of-use asset and a lease liability.

Initial measurement

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

Variable lease payments are only included in the measurement of the lease liability if it is depending on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term.

The Group presents the right-of-use assets in "Property, plant and equipment" and lease liabilities separately from other liabilities in the consolidated statement of financial position.

Subsequent measurement

The right-of-use assets under cost model are depreciated on a straight-line basis over the shorter of either the remaining lease term or the remaining useful life of the right-of-use assets. If the lease transfers ownership of the underlying asset by the end of the lease term, the right-of-use assets are depreciated over the useful life of the underlying asset. The right-of-use assets are depreciated over the useful life as follows:

	Years
Leasehold land and building	30 to 31
Premises	2
Motor vehicles	5
Office equipment	5

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Leases (Continued)

As lessee (Continued)

Subsequent measurement (Continued)

For lease contracts that convey a right to use an identified asset and require services to be provided by the lessor, the Group has elected to account for the entire contract as a lease. The Group does not allocate any amount of contractual payments to, and account separately for, any services provided by the lessor as part of the contract.

As lessor

When the Group is a lessor, it determines whether each lease entered is a finance or an operating lease at the lease inception date and reassessed only if there is a lease modification. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Whereas, it is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income.

Any modification to an operating lease is accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

2.4 Impairment of non-financial assets

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 flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

2.5 Financial instruments

The Group and the Company recognise a financial asset or a financial liability in its statements of financial position when, and only when, the Group and the Company become party to the contractual provisions of the instrument.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Financial instruments (Continued)

Financial assets

The Group and the Company classify its financial assets into at amortised cost, fair value through profit or loss and fair value through other comprehensive income, depending on the Group's and the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group and the Company shall reclassify its affected financial assets when and only when the Group and the Company change its business model for managing these financial assets. The Group's and the Company's accounting policies for fair value through profit or loss and fair value through other comprehensive income are not disclosed as the amounts are not material. The accounting policy of amortised cost is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Interest income from these financial assets is included in interest income using the effective interest rate method.

Impairment provisions for trade receivables are recognised based on the simplified approach within SFRS(I) 9 using the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for non-trade receivables are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those where the credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Receivables are credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that receivables have occurred (i.e. significant financial difficulty of debtor, possible bankruptcy or liquidation of debtor, default of payments, etc.).

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Financial instruments (Continued)

Financial assets (Continued)

Amortised cost (Continued)

The Group's and the Company's financial assets measured at amortised cost comprise trade and other receivables (excluding advance payments to suppliers and prepayments), fixed deposits and cash and bank balances in the statements of financial position.

Derecognition of financial assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group and the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. The Group classifies ordinary shares as equity instruments.

Financial liabilities

Financial liabilities are classified as other financial liabilities as the Group and the Company do not have financial liabilities at fair value through profit or loss.

Other financial liabilities

Trade and other payables

Trade and other payables (excluding goods and services tax and advance receipts from customers) are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method.

Bank borrowings

Bank borrowings are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Other financial liabilities (Continued)

Financial guarantee contracts

The Company has issued corporate guarantees to banks for borrowings of certain subsidiaries and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if these subsidiaries breach any repayment term.

Financial guarantee contract liabilities are measured initially at their fair values, net of transaction costs. Financial guarantee contracts are subsequently measured at the higher of:

a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

b) the amount of loss provisions determined in accordance with SFRS(I) 9.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

2.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business, less all estimated costs of completion to be incurred in marketing, selling and distribution. Obsolete, slow-moving and defective inventories are written down to its net realisable value.

2.7 Revenue recognition

Revenue is recognised when a performance obligation is satisfied. Revenue is measured based on consideration of 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 (i.e. sales related taxes). The consideration promised in the contracts with customers may include fixed amounts, variable amounts or both. Most of the Group's revenue is derived from fixed price contracts and therefore, the amount of revenue earned for each contract is determined by reference to those fixed prices.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.7 Revenue recognition (Continued)

Sale of goods

The Group's sales of goods comprise mainly sales of fast-moving consumer goods to customers. Revenue from the sales of these products is recognised at a point in time when the products are delivered to customers. For overseas sales, performance obligations are satisfied when the controls of products (i.e. risk of obsolescence and loss of shipment) are transferred to the customers. There is limited judgement needed to identify when the point of control passes to customers. There is no element of significant financing component in the Group's revenue transactions as customers are required to pay within a credit term of 14 to 90 days. In certain circumstances, the Group receives advance payments from customers and the consideration received as at the end of each financial year would be utilised within 12 months. The advance receipt from customers is included in "Trade and other payables".

Revenue from these sales is recognised based on the price specified in the contract, net of discounts, sales rebates and rights to return. For certain customers, contractual rebates are given based on sales transactions for the financial year. For sales with a right to return, a refund liability and a corresponding right to the recovered goods (included in "Other current assets") are recognised for products expected to be returned. Accumulated experience is used to estimate and provide for the rights of return, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. At the end of each financial year, the Group reviews and updates the transaction price when necessary. The right to the recovered goods is measured by reference to the former carrying amount of the product.

The Group accounts for consideration payable to customers as a reduction of the transaction price if the payment is not for distinct goods or services received from the customer. If the payment is for distinct goods or services received from the customer, the Group accounts for any excess of the consideration payable to the customer over the fair value of the distinct goods or services as a reduction of the transaction price. If the Group cannot reasonably estimate the fair value of the goods or services received from the customer, it accounts for all of the consideration payable to customers as a reduction of the transaction price.

The Group recognises the reduction of revenue arising from consideration payable to customers at the later of: (a) when it recognises revenue for the transfer of the related goods and services to the customer; and (b) when it promises to pay the consideration.

Service income

Service income mainly comprises freight, insurance and handling services which are distinct from sales of goods. The Group is acting as an agent for customers, hence revenue after deducting the related expenses is recognised when services are rendered.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases of asset and liabilities, except when the temporary difference arises from the initial recognition of goodwill or other assets and liabilities that is not a business combination and affects neither the accounting profit nor taxable profit.

Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchase of assets or services is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

2.9 Dividends

Equity dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared for payment. Final dividends are recorded in the financial year in which dividends are approved by shareholders.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2 to the financial statements, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements made in applying the entity's accounting policies

Management is of opinion that there is no significant judgement made in applying the accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each financial year, 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.

(i) Revenue recognition – Estimating sales returns

The Group accepts return of goods from customers arising from customary business practices that give rise to variable consideration. In estimating the variable consideration, the Group uses the expected value method to predict the sales returns so that revenue is recognised up to the extent that it is highly probable that a significant reversal will not occur. Management relies on historical purchasing patterns and product returns of customers, including seasonal trends, to develop its estimation.

Estimates of expected sales returns are sensitive to changes in circumstances, including market and economic factors that could change consumers' behaviour. The Group's experience regarding returns may not be representative of customers' actual returns in the future. As at 31 December 2024, the refund liabilities recognised by the Group for return of goods was $1,896,000 (2023: $1,223,000) (Note 15) and the assets recognised from rights to the recovered goods was $1,329,000 (2023: $882,000) (Note 21).

(ii) Estimating expected credit loss allowance

Trade receivables owing from third parties

The management estimates expected credit loss allowance using a forward-looking expected credit loss ("ECL") model. When measuring ECL, the Group performs a review of the historical trends, default payment and information, profile its customers to determine a reasonable probability of default and adjusted with forward looking information by considering the available market data on the industry growth rate in relation to the customers' profiling, which are the key estimates in measuring ECL. The net carrying amount of the Group's trade receivables owing from third parties as at 31 December 2024 was $12,232,000 (2023: $10,812,000) (Note 11).

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

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land $'000	Freehold building $'000	Leasehold land $'000	Leasehold buildings $'000	Premises $'000	Plant and machinery $'000	Motor vehicles $'000	Office equipment and furnishings $'000	Computers $'000	Total $'000
Group										
Cost										
Balance at 1 January 2024	699	836	3,767	15,864	34	2,574	2,511	1,797	228	28,310
Additions	-	-	-	-	-	693	649	23	21	1,386
Variable lease payments	-	-	133	-	-	-	-	-	-	133
Disposals	-	-	-	-	-	-	(67)	-	-	(67)
Write off	-	-	-	-	-	(6)	-	(11)	(2)	(19)
Currency translation adjustment	41	49	-	169	-	134	18	8	4	423
Balance at 31 December 2024	740	885	3,900	16,033	34	3,395	3,111	1,817	251	30,166
Accumulated depreciation and impairment										
Balance at 1 January 2024	-	239	1,000	3,752	15	2,010	2,342	1,410	183	10,951
Depreciation charge	-	28	105	464	18	202	157	110	20	1,104
Disposals	-	-	-	-	-	-	(67)	-	-	(67)
Write off	-	-	-	-	-	(2)	-	(8)	(2)	(12)
Currency translation adjustment	-	16	-	42	-	94	16	6	4	178
Balance at 31 December 2024	-	283	1,105	4,258	33	2,304	2,448	1,518	205	12,154
Carrying amount										
At 31 December 2024	740	602	2,795	11,775	1	1,091	663	299	46	18,012

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land $'000	Freehold building $'000	Leasehold land $'000	Leasehold buildings $'000	Premises $'000	Plant and machinery $'000	Motor vehicles $'000	Office equipment and furnishings $'000	Computers $'000	Total $'000
Group										
Cost										
Balance at 1 January 2023	741	886	3,561	16,039	15	2,585	2,610	1,750	215	28,402
Additions	–	–	–	–	34	107	–	176	21	338
Variable lease payments	–	–	206	–	–	–	–	–	–	206
Disposals	–	–	–	–	–	–	(81)	–	–	(81)
Write off	–	–	–	–	–	–	–	(113)	(6)	(119)
Derecognition of right-of-use assets	–	–	–	–	(15)	–	–	(6)	–	(21)
Currency translation adjustment	(42)	(50)	–	(175)	–	(118)	(18)	(10)	(2)	(415)
Balance at 31 December 2023	699	836	3,767	15,864	34	2,574	2,511	1,797	228	28,310
Accumulated depreciation and impairment										
Balance at 1 January 2023	–	224	898	3,326	6	1,950	2,231	1,421	174	10,230
Depreciation charge	–	29	102	465	15	148	208	112	19	1,098
Disposals	–	–	–	–	–	–	(81)	–	–	(81)
Write off	–	–	–	–	–	–	–	(113)	(6)	(119)
Derecognition of right-of-use assets	–	–	–	–	(6)	–	–	(6)	–	(12)
Currency translation adjustment	–	(14)	–	(39)	–	(88)	(16)	(4)	(4)	(165)
Balance at 31 December 2023	–	239	1,000	3,752	15	2,010	2,342	1,410	183	10,951
Carrying amount										
At 31 December 2023	699	597	2,767	12,112	19	564	169	387	45	17,359

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4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Group's freehold land and building with carrying amount of $1,342,000 as at 31 December 2024 (2023: $1,296,000) was pledged as a security for the bank loans granted to the Group (Note 17).

Right-of-use assets under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed below:

Right-of-use assets classified within property, plant and equipment

Group	Leasehold land $'000	Leasehold building $'000	Premises $'000	Motor vehicles $'000	Office equipment $'000	Total $'000
Cost						
Balance at 1 January 2024	**3,767**	**13,000**	**33**	**328**	**30**	**17,158**
Additions	**-**	**-**	**-**	**575**	**-**	**575**
Variable lease payments	**133**	**-**	**-**	**-**	**-**	**133**
Transfer to property, plant and equipment	**-**	**-**	**-**	**(290)**	**(12)**	**(302)**
Currency translation adjustment	**-**	**-**	**2**	**4**	**-**	**6**
Balance at 31 December 2024	**3,900**	**13,000**	**35**	**617**	**18**	**17,570**
Accumulated depreciation						
Balance at 1 January 2024	**1,000**	**3,091**	**15**	**282**	**17**	**4,405**
Depreciation charge	**105**	**391**	**18**	**71**	**5**	**590**
Transfer to property, plant and equipment	**-**	**-**	**-**	**(290)**	**(12)**	**(302)**
Currency translation adjustment	**-**	**-**	**-**	**2**	**-**	**2**
Balance at 31 December 2024	**1,105**	**3,482**	**33**	**65**	**10**	**4,695**
Carrying amount						
At 31 December 2024	**2,795**	**9,518**	**2**	**552**	**8**	**12,875**

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Right-of-use assets classified within property, plant and equipment (Continued)

Group	Leasehold land $'000	Leasehold building $'000	Premises $'000	Motor vehicles $'000	Office equipment $'000	Total $'000
Cost						
Balance at 1 January 2023	3,561	13,000	14	402	36	17,013
Additions	–	–	34	–	–	34
Variable lease payments	206	–	–	–	–	206
Derecognition of right-of-use assets	–	–	(14)	–	(6)	(20)
Transfer to property, plant and equipment	–	–	–	(69)	–	(69)
Currency translation adjustment	–	–	(1)	(5)	–	(6)
Balance at 31 December 2023	3,767	13,000	33	328	30	17,158
Accumulated depreciation						
Balance at 1 January 2023	898	2,701	6	278	16	3,899
Depreciation charge	102	390	15	76	7	590
Derecognition of right-of-use assets	–	–	(6)	–	(6)	(12)
Transfer to property, plant and equipment	–	–	–	(69)	–	(69)
Currency translation adjustment	–	–	–	(3)	–	(3)
Balance at 31 December 2023	1,000	3,091	15	282	17	4,405
Carrying amount						
At 31 December 2023	2,767	9,909	18	46	13	12,753

During the financial year, the lease liabilities of motor vehicles and office equipment with an aggregate cost of $302,000 (2023: $69,000) were fully settled and transferred to property, plant and equipment.

As at 31 December 2024, motor vehicles and office equipment with a carrying amount of $560,000 (2023: $59,000) were secured over the lease liabilities of $300,000 (2023: $40,000). These assets will be seized and returned to lessor in the event of default by the Group.

The Group had sub-let a small portion of its leasehold building to earn rental income. Management had assessed that the leased portion is insignificant.

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4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Consolidated statement of cash flows

During the financial year, the Group's additions to property, plant and equipment were financed as follows:

	Group	
	2024	**2023**
	$'000	**$'000**
Additions to property, plant and equipment	**1,386**	338
Acquired under lease agreements (Note 16)	**(299)**	(34)
Financed by bank borrowings	**(198)**	–
Cash payments to acquire property, plant and equipment	**889**	304

Details of the properties held by the Group as at 31 December 2024 are as follows:

Location	**Description**	**Tenure**
267 Pandan Loop Singapore 128439	Office and warehouse premises with a land area of 5,223 sq metres	60 years from 1 October 1989
No. 8 Jalan Utarid U5/12 Seksyen U5, Shah Alam, Selangor Darul Ehsan, Malaysia	Single-storey warehouse attached with 2 storey office, measuring approximately 2,594 sq metres	50 years from 23 April 2014
No. 19 & 20 Jalan Murni 3, Taman Perindustrian Murni Senai, 81400 Senai, Johor, Malaysia	One and a half storey semi-detached factory, measuring approximately 2,294 sq metres	Freehold

5. INTANGIBLE ASSET

Computer software

	Group	
	2024	**2023**
	$'000	**$'000**
Cost		
Balance at beginning of financial year	**676**	676
Additions	**28**	–
Balance at end of financial year	**704**	676
Accumulated amortisation		
Balance at beginning of financial year	**533**	471
Amortisation charge	**63**	62
Balance at end of financial year	**596**	533
Carrying amount		
Balance at end of financial year	**108**	143

The useful life of the computer software is finite and amortise over 5 years (2023: 5 years).

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024 **$'000**	**2023** **$'000**
Unquoted equity shares, at cost		
Balance at beginning of financial year	**11,408**	9,841
Deemed investment	**1,103**	8,488
Impairment reversed/(recognised) during the financial year	**625**	(6,921)
Balance at end of financial year	**13,136**	11,408
Movement in conversion of loan to investment		
Balance at beginning of financial year	**8,488**	–
Deemed investment arising from change in intention	**-**	8,028
Capital injection without shares subscription	**1,103**	460
Balance at end of financial year	**9,591**	8,488
Movement in allowance for accumulated impairment losses		
Balance at beginning of financial year	**6,921**	–
Impairment on conversion of loan to investment previously recognised in receivables	**-**	6,870
Impairment (reversed)/recognised during the financial year	**(625)**	51
Balance at end of financial year	**6,296**	6,921

In previous financial year, management had re-assessed the intention for repayment of the amount owing by Hosen Chocolate Sdn Bhd amounted $8,028,000, which was partially impaired by $6,870,000 in prior years. The management decided to waive the contractual right to demand for payment from Hosen Chocolate Sdn Bhd and convert the loan as deemed investment in Hosen Chocolate Sdn Bhd. Consequently, both the loan and the impairment losses were recognised as part of investment in subsidiaries. During the financial year, the Company recorded an additional $1,103,000 as a deemed investment for the funds advanced to Hosen Chocolate Sdn. Bhd., with no contractual right to request repayment.

Despite the subsidiary had made profits during the year, the net assets is still lower than the cost of investment. Therefore, the Group had carried out a review of the recoverable amount of cost of investment. Management had derived the recoverable amount using the fair value less cost of disposal method as it was determined to be higher than value-in-use method. The review led to a reversal of impairment loss of $625,000 that has been recognised in the Company's profit and loss. In determining the recoverable amount, management had adopted two methods, which is the fair value less cost of disposal and value in use method. The major assets held by this subsidiary is its freehold land and building. Therefore, in determining the recoverable amount using the fair value less cost of disposal method, the management estimated the market value of the freehold land and building using direct comparison method and adjusted for the cost of disposal. Direct comparison approaches make reference to the comparable sales evidence in the relevant locality with adjustments made to reflect the differences in size, location and all other relevant factors affecting its use. The major inputs into the valuation model were the price per square metre and size of the properties. This resulting fair value of the freehold land and building are considered level 3 non-recurring fair value measurements.

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6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries are as follows:

Name of subsidiaries (Country of incorporation and principal place of business)	**Principal activities**	**Proportion of ownership interest held by the Group**		**Proportion of ownership interest held by non-controlling interests**	
		2024 %	**2023 %**	**2024 %**	**2023 %**
Held by the Company					
Hock Seng Food Pte Ltd[(1)] (Singapore)	Import, distribution, wholesale of fast moving consumer goods	**100**	100	**-**	–
Hosen Chocolate Sdn Bhd[(2)] (Malaysia)	Develop, process, trade and distribute house brand and new chocolate products	**100**	100	**-**	–
Fortune Melinka Pte. Ltd.[(4)] (Singapore)	Trading of frozen, dried, canned and seafood related products	**51**	51	**49**	49
Held by Hock Seng Food Pte Ltd					
Hock Seng Food (M) Sdn Bhd[(2)] (Malaysia)	Import, distribution, wholesale of fast moving consumer goods	**100**	100	**-**	–
Hock Seng Worldwide Sdn Bhd[(2)] (Malaysia)	Investment holding company	**100**	100	**-**	–
Hock Seng Food (Shanghai) Co., Ltd[(3)] (People's Republic of China)	Marketing office cum general wholesale of fast moving consumer goods and frozen seafood	**-**	100	**-**	–

Notes:

(1) Audited by BDO LLP, Singapore.

(2) Audited by overseas member firm of the BDO Network in Malaysia.

(3) Disposed during the financial year.

(4) Dormant and unaudited, in the midst of striking off.

Significant restrictions

In previous financial year, the cash and bank balances of $138,000 held in the People's Republic of China are subject to local exchange control regulations. These regulations place restrictions on exporting capital out of the country other than through dividends and thus affect the Group's ability to access or use assets, and settle liabilities, outside of the People's Republic of China.

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Disposal of an indirect subsidiary

In August 2024, Hock Seng Food Pte Ltd disposed of its wholly-owned subsidiary equity interest in Hock Seng Food (Shanghai) Co., Ltd to a third party for a cash consideration of RMB5 (equivalent to $1). The gain on disposal of a subsidiary of $302,000 was recognised in the "Other income" in the Group's profit or loss for the financial year.

7. FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	2024 $'000	**2023 $'000**
Non-current – debt instrument		
Structured deposit, at fair value	**98**	96
Current – equity instrument		
Quoted equity securities, at fair value	**2**	3
Total financial assets, at fair value through profit or loss	**100**	99
Movements in net financial assets, at fair value through profit or loss		
Balance at beginning of financial year	**99**	7
Addition	**-**	100
Fair value gain/(loss) arising from financial assets, at fair value through profit or loss	**1**	(8)
Balance at end of financial year	**100**	99

The above comprises of investments in quoted equity securities and structured deposits. Investments in quoted equity securities offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair values of these securities are based on closing quoted market prices on the last market day of the financial year. The structured deposit has an interest rate step up feature with maturity on 22 June 2026 and contains a callable feature which allows the financial institution the right to early terminate this structured deposit. The interest rate will step up from 1.7% to 1.85% during the tenure. The fair value of structured deposit is based on valuation provided by the financial institution as at financial year ended.

The financial assets, at fair value through profit or loss are denominated in Singapore dollar.

8. FINANCIAL ASSETS, AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

The Group has designated its unlisted equity investment in Singapore of $49,000 to be measured at FVOCI. The Group intends to hold this investment for long-term and strategic investment purposes.

The fair value of unlisted equity investment was derived using adjusted net assets of the unlisted equity investment as at 31 December 2024, which approximated the carrying amount of $Nil (2023: $Nil).

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9. DEFERRED TAX

The amounts, determined after appropriate offsetting, are shown on the statements of financial position as follows:

	Group	
	2024 **$'000**	**2023** **$'000**
Deferred tax assets	**110**	38
Deferred tax liabilities	**(241)**	(313)
Net deferred tax liabilities	**(131)**	(275)

	Company	
	2024 **$'000**	**2023** **$'000**
Deferred tax liabilities	**(24)**	(24)

The movements in deferred tax position are as follows:

	Group		Company	
	2024 **$'000**	**2023** **$'000**	**2024** **$'000**	**2023** **$'000**
Balance at beginning of financial year	**(275)**	(215)	**(24)**	(23)
Credited/(Charged) to consolidated statement of comprehensive income	**137**	(60)	**-**	(1)
Exchange difference	**7**	–	**-**	–
Balance at end of financial year	**(131)**	(275)	**(24)**	(24)

The following are the major deferred tax liabilities and assets (prior to offsetting of balances within the same tax jurisdiction) recognised by the Group and the movements during the year.

Deferred tax liabilities

	Accelerated tax depreciation $'000	**Lease assets $'000**	**Other current asset $'000**	**Unremitted interest income $'000**	**Total $'000**
Group					
At 1 January 2023	–	(1,015)	(114)	(23)	(1,152)
(Charged)/Credited to profit or loss	(30)	4	12	(1)	(15)
At 1 January 2024	**(30)**	**(1,011)**	**(102)**	**(24)**	**(1,167)**
(Charged)/Credited to profit or loss	**(49)**	**17**	**(44)**	**-**	**(76)**
At 31 December 2024	**(79)**	**(994)**	**(146)**	**(24)**	**(1,243)**

9. DEFERRED TAX (CONTINUED)

Deferred tax assets

	Excess of tax written value over net book value $'000	Provisions $'000	Lease liabilities $'000	Total $'000
Group				
At 1 January 2023	173	367	397	937
Credited/(Charged) to profit or loss	14	(82)	23	(45)
At 1 January 2024	**187**	**285**	**420**	**892**
(Charged)/Credited to profit or loss	**(11)**	**210**	**14**	**213**
Exchange differences	**-**	**7**	**-**	**7**
At 31 December 2024	**176**	**502**	**434**	**1,112**

The Company's deferred tax liabilities is due to unremitted interest income.

In addition to the above deferred tax recognised, information on deferred taxes not recognised is disclosed in Note 25.

10. INVENTORIES

	Group 2024 $'000	Group 2023 $'000
Raw materials	**449**	419
Work-in-progress	**207**	131
Finished goods and goods for resale	**14,611**	13,615
Goods-in-transit	**2,044**	1,629
	17,311	15,794

The cost of inventories recognised as an expense in profit or loss and included in "Cost of sales" line item amounted to $55,172,000 (2023: $52,249,000).

During the financial year, the Group carried out a review of the net realisable value of its inventories which led to the write-down of inventories by $400,000 (2023: $716,000) recognised in "Other expenses" in profit or loss.

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**
Trade receivables				
– Third parties	**12,970**	11,175	**-**	–
– A related party	**11**	9	**-**	–
Loss allowance	**(749)**	(372)	**-**	–
	12,232	10,812	**-**	–
Other receivables				
– Third parties	**158**	339	**-**	–
– Loans to subsidiaries	**-**	–	**10,151**	11,601
– A related party	**-**	386	**-**	–
Loss allowance				
– Loans to subsidiaries	**-**	–	**-**	(634)
– A related party	**-**	(386)	**-**	–
	12,390	11,151	**10,151**	10,967
Advance payments to suppliers	**2,376**	1,093	**-**	–
Deposits	**653**	129	**-**	–
Prepayments	**262**	375	**4**	3
Rebates claimable from a supplier	**-**	15	**-**	–
Total trade and other receivables	**15,681**	12,763	**10,155**	10,970
Less:				
– Advance payments to suppliers	**(2,376)**	(1,093)	**-**	–
– Prepayments	**(262)**	(375)	**(4)**	(3)
	13,043	11,295	**10,151**	10,967
Add:				
– Fixed deposits (Note 12)	**34**	31	**-**	–
– Cash and bank balances (Note 13)	**5,816**	5,408	**56**	57
Financial assets at amortised cost	**18,893**	16,734	**10,207**	11,024

The trade amounts due from third parties are unsecured, interest-free and repayable within the normal credit terms of 14 to 90 days (2023: 14 to 90 days), in cash.

The trade amount due from a related party is unsecured, interest-free and repayable within the normal credit terms of 30 days (2023: 30 days), in cash.

The non-trade amount due from a related party is unsecured, interest-free and repayable on demand.

The loans to subsidiaries are unsecured, repayable on demand and bear interests at 4.5% (2023: from 4.5%) per annum.

The deposits included an amount placed for the acquisition of freehold land in Malaysia by a subsidiary, followed by the entering of a Sales and Purchase Agreement and a Construction Agreement, totaling $522,500. The acquisition of the land was not completed as of year-end, and the remaining consideration is disclosed in Note 28.2 of the financial statements.

11. TRADE AND OTHER RECEIVABLES (CONTINUED)

The management estimates ECL allowance using a forward-looking ECL model. When measuring ECL, the Group performs a review of the historical trends, default payment information and profile its customers to determine a reasonable probability of default. At the end of each financial year, the ECL rates are adjusted with forward looking information by considering the available market data on the industry growth rate in relation to the customers' profiling. There is no change in the estimation techniques made in assessing loss allowance during the financial year. The lifetime ECL allowance made for the Group's trade receivables, excluding credit impaired balances, at each reporting date were as follows:

	Current $'000	1 to 3 months past due $'000	3 to 6 months past due $'000	6 to 12 months past due $'000	More than 12 months past due $'000	Total $'000
31 December 2024						
Weighted average loss rate	***0.00%***	***12.35%***	***0.00%***	***0.00%***	***0.00%***	
Trade receivables						
– Third parties	**9,652**	**2,794**	**121**	**-**	**-**	**12,567**
– Related party	**4**	**7**	**-**	**-**	**-**	**11**
	9,656	**2,801**	**121**	**-**	**-**	**12,578**
Loss allowance						
– Non-credit impaired	**-**	**346**	**-**	**-**	**-**	**346**
31 December 2023						
Weighted average loss rate	*0.00%*	*6.24%*	*11.16%*	*0.00%*	*0.00%*	
Trade receivables						
– Third parties	7,268	3,508	212	34	24	11,046
– Related party	2	4	3	–	–	9
	7,270	3,512	215	34	24	11,055
Loss allowance						
– Non-credit impaired	–	219	24	–	–	243

Movements in loss allowance for third party trade receivables:

	Group					
	Non-credit impaired		Credit impaired		Total ECL	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Balance at beginning of financial year	**243**	276	**129**	123	**372**	399
Loss allowance made/ (reversed) during the financial year	**94**	(39)	**274**	20	**368**	(19)
Amount written off as uncollectible	**-**	–	**(16)**	(5)	**(16)**	(5)
Currency translation difference	**9**	6	**16**	(9)	**25**	(3)
Balance at end of financial year	**346**	243	**403**	129	**749**	372

11. TRADE AND OTHER RECEIVABLES (CONTINUED)

Movements in loss allowance for related party other receivables:

	Group	
	2024 **$'000**	**2023** **$'000**
Balance at beginning of financial year	**386**	392
Amount written off as uncollectible	**(386)**	–
Currency translation difference	**-**	(6)
Balance at end of financial year	**-**	386

Movement in loss allowance for loans to subsidiaries:

	Company	
	2024 **$'000**	**2023** **$'000**
Balance at beginning of financial year	**634**	7,471
Loss allowance (reversed)/made during the financial year	**(21)**	33
Transfer loss allowance to impairment loss in investment in subsidiaries	**-**	(6,870)
Amount written off as uncollectible	**(613)**	–
Balance at end of financial year	**-**	634

Management has performed impairment assessment for the loans to subsidiaries using the three-stage expected credit loss model. Following the review, the remaining loan to a dormant subsidiary that was previously assessed as credit-impaired amounting $613,000 was written off in view that it is in the midst of striking off. In previous financial year, a loss allowance of $6,870,000 has been transferred to impairment loss in investment in subsidiaries as elaborated in Note 6 to the financial statements.

The currency profiles of trade and other receivables (excluding advance payments to suppliers and prepayments) are as follows:

	Group		Company	
	2024 **$'000**	**2023** **$'000**	**2024** **$'000**	**2023** **$'000**
Singapore dollar	**7,410**	6,464	**10,151**	10,967
United States dollar	**962**	1,138	**-**	–
Ringgit Malaysia	**4,671**	3,622	**-**	–
Chinese renminbi	**-**	71	**-**	–
	13,043	11,295	**10,151**	10,967

12. FIXED DEPOSITS

Fixed deposits earn interests at an effective interest rate of 2.60% (2023: 3.05%) per annum and have tenure of approximately 1 year (2023: 1 year). As at the reporting date, fixed deposit amounting to $34,000 (2023: $31,000) was pledged to a bank as security for unpaid stamp duty on credit facility granted to a subsidiary.

The fixed deposits are denominated in Ringgit Malaysia.

13. CASH AND BANK BALANCES

The currency profiles of cash and bank balances are as follows:

	Group		Company	
	2024 $'000	2023 $'000	**2024 $'000**	2023 $'000
Singapore dollar	**2,157**	1,090	**46**	47
United States dollar	**271**	1,096	**10**	10
Ringgit Malaysia	**3,359**	3,067	**-**	–
Euro	**29**	17	**-**	–
Chinese renminbi	**-**	138	**-**	–
	5,816	5,408	**56**	57

Cash and bank balances in the statements of financial position comprise cash on hand and bank deposits that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

14. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 $'000	2023 $'000	**2024 $'000**	2023 $'000
Current				
Trade payables				
– Third parties	**4,517**	3,940	**-**	–
– A related party	**6**	1	**-**	–
– Advance receipts from customers	**625**	285	**-**	–
Other payables				
– Directors' fees	**112**	126	**112**	126
– Third parties	**351**	214	**77**	6
– Accrued expenses	**2,921**	2,222	**126**	68
	8,532	6,788	**315**	200
Non-current				
Other payable				
– Third party	**384**	384	**-**	–
Total trade and other payables	**8,916**	7,172	**315**	200
Less:				
– Goods and services tax	**(744)**	(648)	**-**	–
– Advance receipts from customers	**(625)**	(285)	**-**	–
	7,547	6,239	**315**	200
Add:				
– Lease liabilities (Note 16)	**2,850**	2,532	**-**	–
– Bank borrowings (Note 17)	**7,889**	7,099	**-**	–
Total financial liabilities carried at amortised cost	**18,286**	15,870	**315**	200

The average credit period on purchases on goods is 30 to 90 days (2023: 30 to 90 days).

The trade amount due to a related party was unsecured, interest-free and normally settled on 30 days (2023: 30 days) credit term.

14. TRADE AND OTHER PAYABLES (CONTINUED)

The non-current other payable refers to rental deposit received from tenant. As at the reporting date, the fair value of non-current other payable approximate its carrying amount.

The currency profiles of trade and other payables (excluding goods and services tax and advance receipts from customers) are as follows:

	Group		Company	
	2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**
Singapore dollar	**3,346**	2,325	**315**	200
United States dollar	**3,065**	2,110	**-**	–
Ringgit Malaysia	**987**	1,261	**-**	–
Euro	**85**	533	**-**	–
Thai baht	**64**	–	**-**	–
Chinese renminbi	**-**	10	**-**	–
	7,547	6,239	**315**	200

15. REFUND LIABILITIES

The Group recognises refund liabilities for return of goods and sales rebates. Sales returns represent management's best estimate of the present value of the future outflow of economic benefits arising from the Group accepting return of goods from customers arising from customary business practices. The estimates have been made on the basis of historical purchasing patterns and product returns of customers, including seasonal trends. Sales rebates are contractual sales rebates provided to certain customers based on sales transactions for the financial year. As at 31 December 2024, the refund liabilities recognised for return of goods and sales rebates were $1,896,000 (2023: $1,223,000) and $802,000 (2023: $437,000) respectively.

16. LEASE LIABILITIES

	Leasehold land $'000	Premises $'000	Motor vehicles $'000	Office equipment $'000	Total $'000
Group					
Balance at 1 January 2024	**2,474**	**18**	**27**	**13**	**2,532**
Additions	**-**	**-**	**299**	**-**	**299**
Interest expense (Note 23)	**99**	**-**	**4**	**1**	**104**
Variable lease payments	**133**	**-**	**-**	**-**	**133**
Lease payments					
– Principal portion	**(59)**	**(16)**	**(36)**	**(3)**	**(114)**
– Interest portion	**(99)**	**-**	**(4)**	**(1)**	**(104)**
Balance at 31 December 2024	**2,548**	**2**	**290**	**10**	**2,850**
Balance at 1 January 2023	2,316	8	74	22	2,420
Additions	–	34	–	–	34
Derecognition	–	(8)	–	–	(8)
Interest expense (Note 23)	94	1	3	1	99
Variable lease payments	206	–	–	–	206
Lease payments					
– Principal portion	(48)	(16)	(47)	(9)	(120)
– Interest portion	(94)	(1)	(3)	(1)	(99)
Balance at 31 December 2023	2,474	18	27	13	2,532

16. LEASE LIABILITIES (CONTINUED)

The maturity analysis of lease liabilities of the Group at each reporting date were as follows:

	Group	
	2024 $'000	**2023 $'000**
Contractual undiscounted cash flows		
– Not later than a year	**238**	205
– After 1 year but within 5 years	**916**	627
– More than five years	**3,206**	3,193
	4,360	4,025
Less: Future interest expense	**(1,510)**	(1,493)
Present value of lease liabilities	**2,850**	2,532
Presented in consolidated statement of financial position		
– Non-current	**2,728**	2,426
– Current	**122**	106
	2,850	2,532

The Group leases a land in Singapore. It is customary for lease contract to provide payment to increase each year by inflation, to be reset periodically to market rental rates.

The Group also leases premises including office premises and staff accommodation, motor vehicles and office equipment with only fixed payments over the lease terms.

The percentages in the table below reflect the current proportions of lease payment that are either fixed or variable. The sensitivity reflects the impact on the carrying amount of lease liabilities and right-of-use assets if there was an uplift of 5% at the reporting date to lease payments that are variable.

	Lease contracts Number	**Fixed payments %**	**Variable payments %**	**Sensitivity $'000**
31 December 2024				
Leasehold land leases with:				
– payments linked to index	**1**	**–**	**89**	**+127**
Leases of premises, motor vehicles and office equipment	**5**	**11**	**–**	**–**
	6	**11**	**89**	**+127**
31 December 2023				
Leasehold land leases with:				
– payments linked to index	1	–	98	+124
Leases of premises, motor vehicles and office equipment	5	2	–	–
	6	2	98	+124

The Group's lease liabilities of $300,000 (2023: $40,000) are secured by the leased assets (Note 4), which will revert to the lessors in the event of default by the Group.

16. LEASE LIABILITIES (CONTINUED)

The currency profiles of lease liabilities of the Group are as follows:

	Group	
	2024 **$'000**	**2023** **$'000**
Singapore dollar	**2,824**	2,509
Ringgit Malaysia	**26**	23
	2,850	2,532

17. BANK BORROWINGS

	Group	
	2024 **$'000**	**2023** **$'000**
Current		
Secured:		
Bank loan	**98**	88
Unsecured:		
Bank loans	**2,599**	2,000
Bills payables	**4,533**	4,336
	7,230	6,424
Non-current		
Secured:		
Bank loan	**618**	675
Unsecured:		
Bank loans	**41**	–
	659	675
Total bank borrowings	**7,889**	7,099

The Group's bank loans comprised of an amount of $2,500,000 (2023: $2,000,000) are repayable within 3 months (2023: 3 months) and are due by March 2025 (2023: March 2024). The repayment of the remaining bank loans commenced from June 2024 and will continue until May 2026 (2023: $Nil).

The Group's long-term bank loans are repayable within 2 to 15 years (2023: 15 years) and are due in May 2026 to September 2030 (2023: September 2030).

Bills payables are repayable within 2 to 59 days (2023: 5 to 78 days).

The secured bank loan comprised a loan of $716,000 (2023: $763,000) which was drawn down in September 2015. Repayments commenced from October 2015 and will continue until September 2030.

Bank loan is secured against the property, plant and equipment as disclosed in Note 4 to the financial statements.

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17. BANK BORROWINGS (CONTINUED)

Bank borrowings bear interest primarily at floating rates. The weighted average effective borrowing rate per annum were as follows:

	Group	
	2024	**2023**
	%	**%**
Short-term bank loans	**3.94**	4.51
Long-term bank loans	**4.70**	4.62
Bills payable	**4.56**	4.54

The currency profiles of bank borrowings are as follows:

	Group	
	2024	**2023**
	$'000	**$'000**
Singapore dollar	**4,060**	4,197
Ringgit Malaysia	**3,829**	2,902
	7,889	7,099

The Group is subject to financial covenants imposed by the financial institutions in respect of banking facilities granted to subsidiaries of the Group.

The carrying amount of non-current bank borrowings approximate their fair value as at each reporting date as the interest rates are re-priced frequently.

18. SHARE CAPITAL

	Group and Company			
	2024	**2023**	**2024**	**2023**
	Number of ordinary shares		**$'000**	**$'000**
Issued and fully-paid:				
Balance at beginning and end of financial year	**324,900,846**	324,900,846	**24,777**	24,777

The ordinary shares have no par value, carry one vote per share without restrictions and their holders are entitled to receive dividends when declared by the Company.

19. FOREIGN CURRENCY TRANSLATION ACCOUNT

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

	Group	
	2024	**2023**
	$'000	**$'000**
Balance at beginning of financial year	**(595)**	(114)
Exchange differences arising on translation of foreign operations	**384**	(481)
Balance at end of financial year	**(211)**	(595)

20. FAIR VALUE RESERVE

Fair value reserve represents the cumulative fair value changes, net of tax, of financial assets measured at FVOCI until they are derecognised. Upon derecognition, the cumulative fair value changes will be transferred to retained earnings.

21. REVENUE

Disaggregation of revenue

The Group's revenue are recognised at a point in time and disaggregated into the following, which is intended to:

- depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic data; and
- enable users to understand the relationship with revenue segment information provided in Note 30 to the financial statements.

Segments	**House brands**		**Non-house brands**		**Total**	
	2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**	**2024 $'000**	**2023 $'000**
Type of good or service						
Goods	**62,169**	55,880	**10,407**	11,234	**72,576**	67,114
Services	**138**	140	**36**	43	**174**	183
	62,307	56,020	**10,443**	11,277	**72,750**	67,297

Assets recognised from rights to the recovered goods

The Group has recognised an asset in relation to the right to the recovered goods for sales returns from customers amounting to $1,329,000 (2023: $882,000). This is presented within "Other current assets" in the consolidated statement of financial position.

22. OTHER INCOME

	Group	
	2024 $'000	**2023 $'000**
Gain on disposal of property, plant and equipment	**11**	50
Gain on foreign exchange, net	**359**	–
Government grant	**105**	110
Interest income	**55**	35
Rental income	**700**	699
Gain on disposal of a subsidiary (Note 6)	**302**	–
Fair value gain arising from financial assets, at fair value through profit or loss (Note 7)	**1**	–
Others	**113**	76
	1,646	970

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23. FINANCE COSTS

	Group	
	2024 **$'000**	**2023** **$'000**
Interest expenses on:		
– Bills payable	**182**	209
– Bank loans	**96**	150
– Lease liabilities (Note 16)	**104**	99
	382	458

24. PROFIT BEFORE INCOME TAX

In addition to the charges and credits disclosed elsewhere in the notes to the consolidated statement of comprehensive income, the above includes the following charges:

	Group	
	2024 **$'000**	**2023** **$'000**
Cost of sales		
Depreciation of property, plant and equipment	**85**	70
Selling and distribution expenses		
Advertisements and promotions	**1,532**	1,111
Delivery outwards	**782**	712
Transports and travelling	**323**	337
Staff costs		
– other short-term benefits	**564**	546
Administrative expenses		
Audit fees		
– auditors of the Company	**93**	93
– other auditors	**27**	31
Non-audit fees		
(i) Audit-related services ("ARS")		
– auditors of the Company	**2**	5
(ii) Non-ARS		
– auditors of the Company	**32**	16
– other auditors	**2**	2
Directors' fees+	**113**	127
Directors' remuneration		
– Directors of the Company	**1,599**	1,120
– Directors of subsidiaries	**661**	711
Staff costs		
– salaries, bonuses and other short-term benefits++	**5,277**	4,695
– employer's contributions to defined contribution plan++	**632**	631
Other expenses		
Fair value loss arising from financial assets, at fair value through profit or loss (Note 7)	**-**	8
Amortisation of intangible asset (Note 5)	**63**	62
Depreciation of property, plant and equipment	**1,019**	1,028
Write-down of inventories	**400**	716
Loss on foreign exchange, net	**-**	137
Repair and maintenance	**345**	358
Property, plant and equipment written off	**7**	–
Bad debt written off	**-**	24

+ Included in the Directors' fees are fees declared by a subsidiary to the Directors in their capacity as Directors of the subsidiary of approximately $1,000 (2023: $1,000).

++ The staff costs include other key management personnel remuneration as disclosed in Note 29 to the financial statements.

25. INCOME TAX EXPENSE

	Group	
	2024	**2023**
	$'000	**$'000**
Current income tax		
– current year	**827**	635
– over provision in prior financial years	**(10)**	(29)
	817	606
Deferred tax credit		
– current year	**(144)**	(77)
– under provision in prior years	**7**	137
	(137)	60
Total income tax expense	**680**	666

The income tax expense varied from the amount of income tax expense determined by applying the Singapore statutory income tax rate of 17% (2023: 17%) to profit before income tax as a result of the following differences:

	Group	
	2024	**2023**
	$'000	**$'000**
Profit before income tax	**2,956**	1,634
Income tax calculated at Singapore statutory tax rate of 17% (2023: 17%)	**503**	278
Effect of different income tax rate of subsidiaries operating in another jurisdiction	**106**	13
Tax effect of:		
– expenses not deductible for income tax purposes	**166**	409
– income not subject to income tax	**(16)**	(1)
– income tax exemption	**(35)**	(51)
Deferred tax benefits not recognised	**–**	59
Utilisation of deferred tax benefits not recognised	**(28)**	(42)
(Over)/Under provision in prior financial years		
– current income tax	**(10)**	(29)
– deferred tax	**7**	137
Forfeiture of unutilised tax losses arising from disposal of a subsidiary	**36**	–
Corporate income tax rebate and foreign tax credit	**(54)**	(92)
Other items	**5**	(15)
	680	666

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25. **INCOME TAX EXPENSE** (CONTINUED)

Unrecognised deferred tax assets

	Group	
	2024 $'000	**2023 $'000**
Balance at beginning of financial year	**887**	870
Amount not recognised in profit or loss	**–**	59
Utilisation of deferred tax assets not recognised previously	**(28)**	(42)
Forfeiture of unutilised tax losses arising from disposal of a subsidiary	**(36)**	–
Balance at end of financial year	**823**	887

Deferred tax benefits have not been recognised in respect of the following items:

	Group	
	2024 $'000	**2023 $'000**
Unutilised tax losses	**2,725**	3,159
Property, plant and equipment	**1,782**	1,647
Other temporary differences	**333**	409

The above deferred tax benefits have not been recognised due to uncertainty of profits to which such assets may be utilised. Accordingly, these deferred tax benefits have not been recognised in the financial statements in accordance with the Group's accounting policy and the expiry dates of the unutilised tax losses under the current tax legislation are disclosed below:

	Group	
	2024 $'000	**2023 $'000**
Unutilised tax losses expiring/expired in financial year ended		
31 December 2025	**–**	212
31 December 2028	**1,246**	1,456
31 December 2029	**640**	647
31 December 2030	**363**	366
31 December 2031	**181**	183
31 December 2033	**91**	91
No expiry date	**204**	204
	2,725	3,159

26. EARNINGS PER SHARE

The calculation of the earnings per share is based on:

	Group	
	2024	**2023**
Profit after income tax attributable to owners of the parent ($'000)	**1,974**	986
Weighted average number of ordinary shares in issue during the financial year applicable to basic and diluted earnings per share	**324,900,846**	324,900,846
Basic and diluted earnings per share (in cents)	**0.61**	0.30

The calculations for basic earnings per share for the relevant periods are based on the profit attributable to owners for the financial years ended 31 December 2024 and 2023 divided by the weighted average of ordinary shares in the relevant periods.

The dilutive earnings per share for the relevant periods are the same as the basic earnings per share as the Group does not have any dilutive potential ordinary shares for the relevant periods.

27. DIVIDENDS

	2024 $'000	**2023 $'000**
First and final tax exempt one-tier dividend of 0.20 cents per ordinary share in respect of financial year ended 31 December 2023	**650**	–
First and final tax exempt one-tier dividend of 0.20 cents per ordinary share in respect of financial year ended 31 December 2022	**-**	650
	650	650

In respect of the current financial year, the Directors propose that a first and final tax-exempt one-tier dividend of 0.20 cents per ordinary share to be paid to shareholders on 16 May 2025. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed dividend is payable to all shareholders on the Register of Members on 16 May 2025. The total dividend to be paid is approximately $650,000.

28. CONTINGENT LIABILITIES AND COMMITMENTS

28.1 Corporate guarantees

As at 31 December 2024, the Company had given guarantees amounting to $5,898,000 (2023: $5,740,000) to certain banks in respect of banking facilities utilised by the subsidiaries. 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 and the risk of default is considered to be minimal by considering their credit risk profiles and the presence of underlying assets as disclosed in Note 4 to the financial statements to secure the loans.

The financial guarantees have not been recognised in the financial statements of the Company as the risk of default is remote and subject to immaterial loss allowance.

28.2 Capital commitment

At each reporting date, commitments in respect of capital expenditure were as follows:

	Group	
	2024 **$'000**	**2023** **$'000**
Capital expenditure contracted but not provided for property, plant and equipment	**4,705**	149

28.3 The Group as a lessor

As at each reporting date, the future undiscounted lease payments to be received by the Group for its non-cancellable operating leases after reporting date were as follows:

	Group	
	2024 **$'000**	**2023** **$'000**
Leasehold building		
Not later than one year	**834**	816
One to two years	**834**	834
Two to three years	**698**	834
Three to four years	**71**	698
Four to five years	**–**	71
	2,437	3,253

The leases for the right-of-use assets were negotiated for an average term of 5 years with renewal options of 3 years, and with no arrangements on contingent rents. Lease payments will be renewed upon renewal to reflect market rentals. These leases are classified as an operating lease because the risk and reward incidental to ownership of the assets are not substantially transferred.

29. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the financial year, in addition to the information disclosed elsewhere in these financial statements, the Group entities and the Company entered into the following transactions with related parties at rates and terms agreed between the parties:

	Group	
	2024 $'000	**2023 $'000**
With related parties		
Sales to related parties	**23**	38
Purchases from related parties	**20**	42

	Company	
	2024 $'000	**2023 $'000**
With subsidiaries		
Loans to subsidiaries	**10**	16
Repayment of loan from a subsidiary	**2,114**	1,513
Interest income from subsidiaries	**473**	507
Dividend income from subsidiaries	**800**	700
Deemed investment arising from change in intention to a subsidiary	**–**	8,028

Related parties refer to entities not within the Hosen Group, owned by family members of the Executive Director of the Company.

As at each reporting date, the outstanding balances in respect of the above transactions are disclosed in Notes 11 and 14 to the financial statements.

Key management personnel remuneration

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The Group's key management personnel are the Directors and the Heads of Key Functions of the Group. The key management personnel remuneration are as follows:

	Group	
	2024 $'000	**2023 $'000**
Salaries, bonuses and other short-term benefits	**2,786**	2,076
Employer's contributions to defined contribution plan	**93**	96
Directors' fees to Directors of the Company	**112**	126
Directors' fees to Directors of a subsidiary	**1**	1
	2,992	2,299
Analysed into:		
– Directors of the Company	**1,711**	1,246
– Directors of subsidiaries	**662**	712
– Other key management personnel	**619**	341
	2,992	2,299

30. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of Executive Directors and the chief executive officer who make strategic decisions.

The Group's reportable segments are strategic business units that are organised based on their function and targeted customer groups. They are managed separately because each business unit requires different skill sets and marketing strategies.

The Group is primarily engaged in two reportable segments, namely, house brands and non-house brands.

Principal activities of each business segment are as follows:

House brands	–	Development, trading and distribution of canned seafood, canned fruits and vegetables and canned meat products, and chocolate products.
Non-house brands	–	Importation, distribution, wholesaling and retailing of canned food and household consumable goods.

Management monitors the operating results of the segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

Income taxes are managed by the management of respective entities within the Group.

There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before tax; excluding finance costs.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

The Group accounts for inter-segment sales and transfer as if the sales or transfers were to third parties, which approximate market prices. These inter-segment transactions are eliminated on consolidation.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise corporate assets, liabilities and expenses which are not directly attributable to a particular reportable segment above as they are not separately reported to the chief operating decision maker.

30. SEGMENT INFORMATION (CONTINUED)

	House brands $'000	Non-house brands $'000	Total $'000
2024			
External revenue	62,307	10,443	72,750
Inter-segment revenue	5,931	44	5,975
Total revenue	68,238	10,487	78,725
Interest expense	(338)	(44)	(382)
Depreciation of property, plant and equipment	(808)	(137)	(945)
Amortisation of intangible asset	(50)	(13)	(63)
Loss allowance reversed on third party trade and other receivables	(369)	1	(368)
Write-down of inventories	(375)	(25)	(400)
Gain on disposal of property, plant and equipment	10	1	11
Segment profit	2,125	795	2,920
Assets			
Segment assets	41,832	7,417	49,249
Capital expenditure	1,223	191	1,414
Liabilities			
Segment liabilities	18,154	3,233	21,387

Reconciliations of reportable segment revenue, profit or loss, assets and liabilities:

	Total $'000
2024	
Revenue	
Total revenue for reportable segments	78,725
Elimination of inter-segment revenue	(5,975)
Consolidated revenue	72,750
Profit or loss	
Total segment profit	2,920
Unallocated corporate income	1,057
Unallocated corporate expenses	(639)
Other expenses	(382)
Consolidated profit before income tax	2,956
Assets	
Segment assets	49,249
Other unallocated assets	9,252
Consolidated total assets	58,501
Liabilities	
Segment liabilities	21,387
Other unallocated liabilities	1,661
Consolidated total liabilities	23,048

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30. SEGMENT INFORMATION (CONTINUED)

Reconciliations of reportable segment revenue, profit or loss, assets and liabilities: (Continued)

	House brands $'000	Non-house brands $'000	Total $'000
2023			
External revenue	56,020	11,277	67,297
Inter-segment revenue	6,582	21	6,603
Total revenue	62,602	11,298	73,900
Interest expense	(393)	(65)	(458)
Depreciation of property, plant and equipment	(797)	(141)	(938)
Amortisation of intangible asset	(47)	(15)	(62)
Loss allowance reversed on third party trade and other receivables	44	(25)	19
Bad debt written off	(24)	–	(24)
Write-down of inventories	(703)	(13)	(716)
Gain on disposal of property, plant and equipment	38	12	50
Segment profit	1,474	447	1,921
Assets			
Segment assets	36,827	7,143	43,970
Capital expenditure	292	46	338
Liabilities			
Segment liabilities	13,834	4,019	17,853

	Total $'000
2023	
Revenue	
Total revenue for reportable segments	73,900
Elimination of inter-segment revenue	(6,603)
Consolidated revenue	67,297
Profit or loss	
Total segment profit	1,921
Unallocated corporate income	734
Unallocated corporate expenses	(563)
Other expenses	(458)
Consolidated profit before income tax	1,634
Assets	
Segment assets	43,970
Other unallocated assets	8,547
Consolidated total assets	52,517
Liabilities	
Segment liabilities	17,853
Other unallocated liabilities	1,218
Consolidated total liabilities	19,071

30. SEGMENT INFORMATION (CONTINUED)

Segment assets

All assets are allocated to the reportable segments except for certain assets included in "Other unallocated assets", which are not reported to the chief operating decision maker as they mainly comprised right-of-use assets and other receivables arising from leasing arrangement, deferred tax assets, financial assets, at fair value through profit or loss, cash and bank balances and fixed deposits that are not directly attributable to the segments.

Segment liabilities

All liabilities are allocated to the reportable segments except for certain liabilities included in "Other unallocated liabilities", which are not reported to the chief operating decision maker as they mainly comprised non-current other payables arising from leasing arrangement, current income tax payable and deferred tax liabilities that are not directly attributable to the segments.

Geographical information

Revenue from external customers and location of non-current assets

Revenue is based on the country in which the customer is located. Non-current assets comprise primarily property, plant and equipment and intangible asset (excluding financial assets, at fair value through profit or loss and deferred tax assets). Non-current assets are shown by the geographical area in which the assets are located.

	Group	
	2024 $'000	**2023 $'000**
Total revenue from external customers		
Singapore	**31,203**	31,438
Malaysia	**23,432**	20,397
Others*	**18,115**	15,462
	72,750	67,297
Non-current assets		
Singapore	**13,613**	13,449
Malaysia	**4,507**	4,053
	18,120	17,502

* "Others" include countries in Africa, Europe and Asia other than Malaysia and Singapore of which none of these countries contributes individually more than 10 percent of the Group's revenue.

Major customer

The Group's customers comprise mainly wholesale distributors and retailers. The Group sells products to a diverse base of customers and is not reliant on any customer for its sales. In current financial year, one customer of the Group contributed approximately $7,722,000 to the Group's total revenue (2023: one customer of the Group contributed approximately $6,841,000 to the Group's total revenue).

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

The Group's activities expose it to credit risks, market risks (including foreign currency risks and interest rates risks and equity price risks) and liquidity risks. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. If necessary, market risk exposures are measured using sensitivity analysis indicated below.

31.1 Credit risks

Credit risks refer to the risks that 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. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require a collateral.

The Group has significant credit exposure arising from the trade amount due from 1 (2023: 1) major customer representing 21% (2023: 19%) of total third parties trade receivable. The Company does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics except for amount due from subsidiaries amounting to $10,151,000 (2023: $10,967,000) representing 99% (2023: 99%) of the total trade and other receivables at each reporting date.

Trade receivables is written off when there is no reasonable expectation of recovery such as debtor is under liquidation. If the receivables are subsequently recovered, such recovery is recognised in profit or loss as "other income". As at 31 December 2024, trade receivables of $Nil (2023: $24,000) were written off during the year.

The Group's and the Company's major classes of financial assets are trade and other receivables (excluding advance payments to suppliers and prepayments), fixed deposits and cash and bank balances.

For amounts due from subsidiaries (Note 11), Board of Directors has taken into account information that it has available internally about these subsidiaries' past, current and expected operating performance and cash flow position. Board of Directors monitors and assesses at each reporting date on any indicator of significant increase in credit risk on the amount due from the respective subsidiaries, by considering their financial performance and any default in external debt. For those where the credit risk has not increased significantly since initial recognition, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

31.1 Credit risks (Continued)

For other receivables, Board of Directors adopts a policy of dealing with high credit quality counterparties. Board of Directors monitors and assesses at each reporting date for any indicator of significant increase in credit risk on these other receivables. As at 31 December 2024, there is no indication that credit risk on these receivables have increased significantly hence, these receivables are measured at 12-month expected credit loss model and subject to immaterial credit loss.

Further disclosure regarding trade and other receivables, which are neither past due nor impaired, are provided in Note 11 to the financial statements.

Bank balances are placed with financial institutions which are regulated. The Group limits its credit risk exposure in respect of investments by investing only in liquid securities and only with counterparties that have good credit ratings. The bank balances are held with banks and financial institution counterparties which are rated within P-1 to P-2 (2023: P-1 to P-2), based on Moody's rating. Management does not expect these counterparties to fail to meet their obligations.

As the Group does not hold any collateral, the carrying amount of each class of financial assets represents the maximum exposure to credit risk except for the financial guarantees issued for the subsidiaries' borrowings as disclosed in Notes 17 and 31.3 to the financial statements.

31.2 Market risks

Foreign currency risks

Foreign currency risk arises from transactions and balances that are denominated in currencies other than the functional currency of the entities within the Group. The currencies giving rise to this risk are primarily Singapore dollar ("SGD"), United States dollar ("USD"), Ringgit Malaysia ("RM"), Euro ("EUR"), Thai baht ("THB") and Chinese renminbi ("RMB"). These risks are managed by foreign currency forward contracts in respect of actual or forecast currency exposures, and are monitored on an on-going basis to ensure that the net exposure is at an acceptable level.

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

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

31.2 Market risks (Continued)

Foreign currency risks (Continued)

The Group's foreign currency risks exposure based on the information provided to key management is as follows:

	SGD $'000	**USD $'000**	**RM $'000**	**EUR $'000**	**THB $'000**	**RMB $'000**	**Total $'000**
Group							
31 December 2024							
Total financial assets	**20,063**	**1,975**	**8,758**	**29**	**-**	**-**	**30,825**
Total financial liabilities	**(20,532)**	**(3,065)**	**(6,240)**	**(85)**	**(64)**	**-**	**(29,986)**
	(469)	**(1,090)**	**2,518**	**(56)**	**(64)**	**-**	**839**
(Less)/Add:						**-**	
Net financial (assets)/liabilities denominated in the respective entities' functional currencies	**622**	**-**	**(2,096)**	**-**	**-**	**-**	**(1,474)**
Currency exposure of financial (liabilities)/assets net of those denominated in the respective entities' functional currencies	**153**	**(1,090)**	**422**	**(56)**	**(64)**	**-**	**(635)**

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

31.2 Market risks (Continued)

Foreign currency risks (Continued)

The Group's foreign currency risks exposure based on the information provided to key management is as follows: (Continued)

	SGD $'000	USD $'000	RM $'000	EUR $'000	THB $'000	RMB $'000	Total $'000
Group							
31 December 2023							
Total financial assets	18,779	4,059	7,049	17	–	209	30,113
Total financial liabilities	(20,101)	(5,293)	(5,859)	(533)	–	(10)	(31,796)
	(1,322)	(1,234)	1,190	(516)	–	199	(1,683)
(Less)/Add:							
Net financial (assets)/liabilities denominated in the respective entities' functional currencies	1,383	623	(902)	–	–	(199)	905
Currency exposure of financial (liabilities)/assets net of those denominated in the respective entities' functional currencies	61	(611)	288	(516)	–	–	(778)

At the end of each reporting date, the Company does not have significant amounts of monetary assets and liabilities denominated in currencies other than its functional currency. Accordingly, the Company is not exposed to significant foreign currency risk.

Foreign currency sensitivity analysis

The Group is mainly exposed to USD, RM and EUR.

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

31.2 Market risks (Continued)

Foreign currency risks (Continued)

The following table details the Group's sensitivity to a 5% (2023: 5%) change in USD, RM and EUR. The sensitivity analysis assumes an instantaneous 5% (2023: 5%) change in the foreign currency exchange rates from the end of the reporting date, with all other variables held constant. The results of the model are also constrained by the fact that only monetary items, which are denominated in USD, RM and EUR are included in the analysis.

	(Decrease)/Increase Profit or loss 2024 $'000	 2023 $'000
Group		
United States dollar		
Strengthened against the respective entities' functional currency	**(55)**	(31)
Weakened against the respective entities' functional currency	**55**	31
Ringgit Malaysia		
Strengthened against SGD	**21**	14
Weakened against SGD	**(21)**	(14)
Euro		
Strengthened against the respective entities' functional currency	**(3)**	(26)
Weakened against the respective entities' functional currency	**3**	26

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to floating rates bank borrowings as shown in Note 17 to the financial statements.

The Group's results are affected by changes in interest rates due to the impact of such changes on interest expense of the Group. It is the Group's policy to obtain quotes from reputable banks to ensure that the most favourable rates are made available to the Group.

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting date and the stipulated change taking place at the beginning of each financial year and held constant throughout the financial year in the case of instruments that have floating rates. A 100 basis points (2023: 100 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 100 basis points (2023: 100 basis points) higher or lower and all other variables were held constant, the Group's profit for the financial year ended 31 December 2024 would decrease/increase by approximately $79,000 (2023: $71,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

31.2 Market risks (Continued)

Equity price risk

The Group is exposed to equity risk arising from equity investments and structured deposit classified as financial assets, at fair value through profit or loss. Further details of these equity investments can be found in Note 7 to the financial statements.

The Group's exposure to equity price fluctuations is insignificant. Hence, no sensitivity analysis is disclosed.

31.3 Liquidity risks

Liquidity risks refer to the risks in which the Group and the Company encounter difficulties in meeting their short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The following tables detail the Group's and the Company's remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company are expected to pay. The tables include both interest and principal cash flows.

Contractual maturity analysis

	Effective interest rate %	**Within 1 year $'000**	**Within 2 to 5 years $'000**	**More than 5 years $'000**	**Total $'000**
Group					
31 December 2024					
Financial liabilities					
Non-interest bearing					
Trade and other payables[1]	**-**	**7,163**	**384**	**-**	**7,547**
Interest bearing					
Lease liabilities	**3.50 – 6.68**	**238**	**916**	**3,206**	**4,360**
Bank borrowings	**3.94 – 4.70**	**7,289**	**561**	**181**	**8,031**
		14,690	**1,861**	**3,387**	**19,938**
31 December 2023					
Financial liabilities					
Non-interest bearing					
Trade and other payables[1]	–	5,855	384	–	6,239
Interest bearing					
Lease liabilities	3.50 – 6.54	205	627	3,193	4,025
Bank borrowings	4.51 – 4.62	6,485	489	294	7,268
		12,545	1,500	3,487	17,532

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

31.3 Liquidity risks (Continued)

Contractual maturity analysis (Continued)

	Within 1 year **$'000**
Company	
31 December 2024	
Financial liabilities	
Trade and other payables	**315**
Financial guarantee contracts	**5,898**
31 December 2023	
Financial liabilities	
Trade and other payables	200
Financial guarantee contracts	5,740

(1) Excludes goods and services tax and advance receipts from customers.

The disclosed amounts for the financial guarantee contracts represent the banking facilities utilised by subsidiaries which could be called upon in the event of default.

The Group's operations are financed mainly through equity, retained earnings, leases and bank borrowings. Adequate lines of credit are maintained to ensure the necessary liquidity is available when required.

The repayment terms of the lease liabilities and bank borrowings are disclosed in Notes 16 and 17 to the financial statements respectively.

32. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial instruments whose carrying amount approximates fair value

The carrying amounts of the Group's and the Company's financial assets and financial liabilities approximate their respective fair value due to the relative short-term maturity of these financial instruments. The fair values of non-current assets and liabilities in relation to other payables, borrowings are disclosed in the respective notes to the financial statements.

32. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Financial instruments carried at fair value

Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The table below analyses financial instruments carried at fair value by the valuation method. The fair value hierarchy has the following levels:

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

The Group's equity instrument financial assets, at fair value through profit or loss are included in Level 1 of the fair value hierarchy as the instruments are traded in the active markets and their fair values are based on quoted market prices at each reporting date.

The Group's debt instrument financial assets, at fair value through profit or loss are included in Level 2 of the fair value hierarchy as its fair value is directly provided by financial institutions.

The Group's financial assets, at FVOCI is included in Level 3 of the fair value hierarchy as the fair value measurement includes unobservable inputs that are not developed by the Group.

There have been no changes in the valuation techniques of the various classes of financial instruments during the financial year.

There were no transfers between levels during the financial year.

33. CAPITAL MANAGEMENT POLICIES AND OBJECTIVES

The Group and the Company manage their capital to ensure that the Group and the Company are able to continue as a going concern and maintain an optimal capital structure so as to maximise shareholder value.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, foreign currency translation account and retained earnings. The Group's management reviews the capital structure on a semi-annual basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Upon review, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt. The Group's overall strategy remains unchanged from the previous financial year.

The Group is in compliance with externally imposed capital requirements as disclosed in Note 17 to the financial statements for the financial years ended 31 December 2024 and 2023. The Company is not subjected to externally imposed capital requirements for the financial years ended 31 December 2024 and 2023.

ANALYSIS OF SHAREHOLDINGS

AS AT 20 MARCH 2025

NO OF SHARES ISSUED (excluding Treasury Shares and Subsidiary holdings) : 324,900,846
NUMBER/PERCENTAGE OF TREASURY SHARES : NIL
NUMBER OF SUBSIDIARY HOLDINGS : NIL
CLASS OF SHARES : ORDINARY SHARE
VOTING RIGHTS : 1 VOTE PER SHARE

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	29	2.85	807	0.00
100 – 1,000	164	16.13	68,624	0.02
1,001 – 10,000	214	21.04	1,277,505	0.39
10,001 – 1,000,000	575	56.54	62,271,147	19.17
1,000,001 & ABOVE	35	3.44	261,282,763	80.42
TOTAL	**1,017**	**100.00**	**324,900,846**	**100.00**

	TOP TWENTY SHAREHOLDERS AS AT 20 MARCH 2025	NO. OF SHARES	%
1	LIM HAI CHEOK	65,000,000	20.01
2	CHONG POH SOON	64,843,750	19.96
3	HSBC (SINGAPORE) NOMINEES PTE LTD	24,515,000	7.55
4	LIM KIM ENG	17,812,500	5.48
5	MAYBANK SECURITIES PTE. LTD.	15,073,100	4.64
6	LIM HOCK CHYE DANIEL	9,557,200	2.94
7	JAMES ALVIN LOW YIEW HOCK	4,300,000	1.32
8	LIM MEI YAN JANE	4,293,000	1.32
9	DBS NOMINEES PTE LTD	3,920,400	1.21
10	WANG LILING	3,664,452	1.13
11	YE MEIYING	3,610,000	1.11
12	KONG AI LIAN MABELINE (KANG AILIAN MABELINE)	3,190,500	0.98
13	GOH CHIN KEOW	3,014,000	0.93
14	NOMURA SINGAPORE LIMITED	3,000,000	0.92
15	PHILLIP SECURITIES PTE LTD	2,630,945	0.81
16	UNITED OVERSEAS BANK NOMINEES PTE LTD	2,523,700	0.78
17	LEE SZE KIAN	2,396,900	0.74
18	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	2,141,750	0.66
19	OU YANG YAN TE	2,026,668	0.62
20	STEVEN CHONG KING PECK	2,025,500	0.62
		239,539,365	**73.73**

ANALYSIS OF
SHAREHOLDINGS
AS AT 20 MARCH 2025

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

		DIRECT INTEREST		**DEEMED INTEREST**	
		NO. OF SHARES	**%**	**NO. OF SHARES**	**%**
1	LIM HAI CHEOK	65,000,000	20.01	64,843,750	19.96
2	CHONG POH SOON	64,843,750	19.96	65,000,000	20.01
3	LIM KIM ENG	17,812,500	5.48	–	–

Mr. Lim Hai Cheok and Mdm Chong Poh Soon are spouses. Both Mr. Lim and Mdm Chong are deemed interested in the shares held by their spouse.

Percentage of Shareholding in the Hands of the Public

As at 20 March 2025, approximately 48.49% of the Company’s shares (excluding treasury shares and subsidiary holdings) are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Catalist Rules of the Singapore Exchange Securities Trading Limited.

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **HOSEN GROUP LTD.** (the "**Company**") will be held at 267 Pandan Loop, Singapore 128439 on Tuesday, 29 April 2025, at 1.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and audited financial statements of the Company for the year ended 31 December 2024 ("**FY2024**") together with the Independent Auditor's Report thereon. **(Resolution 1)**

2. To declare a first and final tax exempt (one-tier) dividend of 0.2 Singapore cents per ordinary share for FY2024. **(Resolution 2)**

3. To re-elect the following Directors retiring by rotation pursuant to Regulation 106 of the Company's Constitution:

   (i) Mr Lim Hock Chye Daniel **(Resolution 3)**
   [See Explanatory Note (i)]

   (ii) Mr Leong Ka Yew **(Resolution 4)**
   [See Explanatory Note (ii)]

4. To approve the payment of Directors' fees of S$112,000 for the financial year ended 31 December 2024 (2023: S$126,400). **(Resolution 5)**

5. To re-appoint BDO LLP as the Independent Auditor of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

NOTICE OF
ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

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

7. **Share Issue Mandate**

That pursuant to Section 161 of the Companies Act 1967 (the "**Companies Act**"), Rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), authority be given to the Directors of the Company ("**Directors**") to allot and issue shares ("**Shares**") whether by way of rights, bonus or otherwise, and/or 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) warrants, debentures or other instruments convertible into Shares at any time and upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this authority was in force, provided that:

(a) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per cent. (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below) at the time of the passing of this Resolution, of which the aggregate number of Shares and convertible securities to be issued other than on a pro-rata basis to all shareholders of the Company ("**Shareholders**") shall not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner of calculation as may be prescribed by SGX-ST for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the total number of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of the passing of this Resolution, after adjusting for:

(i) new shares arising from the conversion or exercise of convertible securities;

(ii) new shares arising from exercising share options or vesting of share awards, provided the options or share awards were granted in compliance with the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustments in accordance with (i) and (ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, the Constitution of the Company; and

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ANNUAL GENERAL MEETING

(d) unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the Company's next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.
[See Explanatory Note (iii)] **(Resolution 7)**

8. **Renewal of Share Buy-Back Mandate**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company:

(1) to purchase or otherwise acquire issued ordinary shares ("**Share Buy-Back**") in the capital of the Company not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) on-market Share Buy-Back (each an "**On-market Share Buy-Back**") transacted on the SGX through the SGX-ST's trading system and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) off-market Share Buy-Back (each an "**Off-market Share Buy-Back**") effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the Directors of the Company as they consider fit, which schemes shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to, the applicable provisions of the Companies Act, the Constitution of the Company and the Catalist Rules as may for the time being applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy-Back Mandate**");

(b) the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of (A) the date on which the next Annual General Meeting of the Company is held or required by law to be held; (B) the date on which the purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; or (C) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by the Shareholders in general meeting, ("**Relevant Period**");

(c) in this Resolution:

"**Prescribed Limit**" means ten per cent. (10%) of the total number of Shares (excluding treasury shares and subsidiary holdings) as at the date of passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares and subsidiary holdings that may be held by the Company from time to time);

NOTICE OF
ANNUAL GENERAL MEETING

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) to be paid for a Share, which shall not exceed:

(i) in the case of an On-market Share Buy-Back, five per cent. (5%) above the average of the closing market prices of the Shares over the last five (5) market days on the SGX-ST on which transactions in the Shares were recorded, immediately preceding the day of the On-market Share Buy-Back by the Company, and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-day period and the day on which the purchases are made; and

(ii) in the case of an Off-market Share Buy-Back pursuant to an equal access scheme, twenty per cent. (20%) above the average of the closing market prices of the Shares over the last five (5) market days on the SGX-ST on which transactions in the Shares were recorded, immediately preceding the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price for each Share and the relevant terms of the equal access scheme for effecting the Off-market Share Buy-Back, and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-day period and the day on which the purchases are made; and

(d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary or expedient to give effect to the transactions contemplated by this Resolution.
[See Explanatory Note (iv)] **(Resolution 8)**

By Order of the Board

Low Mei Mei, Maureen and Chong Pei Wen
Company Secretaries
Singapore, 10 April 2025

NOTICE OF
ANNUAL GENERAL MEETING

Explanatory Notes:

(i) Mr Lim Hock Chye Daniel, upon re-election as Director of the Company, will remain as Executive Director and Chief Executive Officer of the Company. Information on Mr Lim Hock Chye Daniel can be found on page 9 of the Annual Report and page 22 of the appendix to the Annual Report 2024 ("**Appendix**").

(ii) Mr Leong Ka Yew, upon re-election as Director of the Company, will remain as Non-Executive Independent Director, Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. Information on Mr Leong Ka Yew can be found on page 9 of the Annual Report and page 22 of the Appendix. He will be considered independent for the purpose of Rule 704(7) of the Catalist Rules. Mr Leong Ka Yew does not have any relationships including immediate family relationships between himself and the Directors, the Company and its substantial shareholders.

(iii) Ordinary Resolution 7, if passed, will empower the Directors from the date of the upcoming Annual General Meeting (the "**Meeting**" or "**AGM**") 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 a general meeting, whichever is the earlier, to allot and issue Shares and convertible securities in the Company up to a number not exceeding, in total, one hundred per cent. (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to fifty per cent. (50%) may be issued other than on a pro-rata basis to Shareholders.

(iv) Ordinary Resolution 8, if passed, will empower the Directors, from the date of the above Meeting until the next Annual General Meeting is held or is required by law to be held, or until it is varied or revoked by the Company in general meeting, whichever is earlier, to purchase or otherwise acquire issued ordinary Shares of the Company by way of On-Market Share Buy-Backs or Off-Market Share Buy-Backs of up to the Maximum Limit at the Maximum Price in accordance with the terms and conditions set out in the Appendix, the Act and the Catalist Rules. Please refer to the Appendix for more details.

Notes:

General

1. The members of the Company are invited to attend the Annual General Meeting (the "**Meeting**" or "**AGM**") **physically**. **There will be no option for shareholders to participate virtually.** Printed copies of this Notice, Proxy Form and a request form will be sent to members. The Notice is also available to members on the SGX website at https://www.sgx.com/securities/company-announcements. A member will need an internet browser and PDF reader to view these documents.

2. Pre-registration is not required. Members, please bring along your NRIC/passport to enable the Company to verify your identity. Members and other attendees who are feeling unwell on the date of AGM are strongly encouraged not to attend the physical meeting.

3. Live voting by poll will be conducted during the AGM for members and proxy(ies) attending the AGM.

Voting by Proxy

4. **Arrangements for participation in the AGM physically**

   Members (including CPF and SRS investors) may participate in the AGM by:

   (a) attending the AGM in person;
   (b) submitting questions to the Company in advance of, or at, the AGM and/or
   (c) voting at the AGM themselves personally; or through their duly appointed proxy(ies).

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ANNUAL GENERAL MEETING

CPF and SRS investors who wish to appoint the Chairman of the Meeting (and not third party proxy(ies)) as proxy to approach their respective CPF Agent Banks or SRS Operators to submit their votes. Please see item 8 below for details.

5. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote in his/her stead at the AGM. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. “Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act 1967.

6. A proxy or attorney need not be a member of the Company.

7. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory.

   If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the Chairman of the Meeting will vote or abstain from voting at his discretion.

8. CPF/SRS investors who hold the Company’s Shares through CPF Agent Banks/SRS Operators:

   (a) may vote at the Meeting if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Meeting, in which case they should approach their CPF Agent Banks/SRS Operation to submit their votes at least 7 working days prior to the date of AGM i.e. by **5.00 p.m. on 17 April 2025**.

9. The Proxy Form must be submitted not less than 72 hours before the time appointed for holding the Meeting i.e. **1.00 p.m. on 26 April 2025**, through any one of the following means:

   (a) if sent personally or by post, be lodged at the registered office of the Company at 267 Pandan Loop, Singapore 128439; or

   (b) by sending a scanned PDF copy by email to hosenagm2025@hosengroup.com.

10. A depositor’s name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at seventy-two (72) hours before the time appointed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.

11. The Company shall be entitled to, and will, treat any valid Proxy Form which was delivered by a member to the Company **before 1.00 p.m. on 26 April 2025** as a valid instrument as the member’s proxy to attend, speak and vote at the Meeting if (a) the member had indicated how he/she/it wished to vote for or vote against or abstain from voting on each resolution; and (b) the member has not withdrawn the appointment by 1.00 p.m. on 26 April 2025.

12. If the member is a corporation, the Proxy Form must be under seal or the hand of an officer or attorney duly authorised.

13. Completion and return of the Proxy Form by a member will not prevent him/her from attending, speaking and voting at the Meeting if he/she so wishes. The appointment of the proxy(ies) for the Meeting will be deemed to be revoked if the member attends the Meeting in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the Meeting.

NOTICE OF
ANNUAL GENERAL MEETING

Submission of questions in advance of the Meeting

14. Members may also submit questions related to the resolutions to be tabled for approval at the Meeting. All questions, together with the members' full names, identification numbers, contact numbers and email addresses and manner in which they hold shares in the Company ("**Shares**"), must be submitted no later than **1.00 p.m. on 22 April 2025** ("**Cut-Off Time**") by email to hosenagm2025@hosengroup.com or by post to the registered office of the Company at 267 Pandan Loop, Singapore 128439.

15. Please note that the Company will address substantial and relevant questions relating to the resolutions to be tabled for approval by 24 April 2025.

16. The Company endeavours to address (i) subsequent clarifications sought (ii) follow-up questions or (iii) subsequent substantial and relevant questions which are received after Cut-Off Time at the Meeting itself. Where substantially similar questions are received, we will consolidate such questions and consequently not all questions may be individually addressed.

17. The Company will, within one month after the date of the AGM, publish the minutes of the AGM on SGXNet at https://www.sgx.com/securities/company-announcements, and the minutes will include the responses to the questions which are addressed during the AGM, if any.

HOSEN GROUP LTD.
(Incorporated in Singapore)
(Company Registration No. 200403029E)

PROXY FORM
(Please see notes overleaf before completing this Form)

IMPORTANT:
1. The Annual General Meeting ("**AGM**" or "**Meeting**") will be held physically with no option to attend virtually.
2. For Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**") investors who have used their CPF/SRS monies to buy the shares in Hosen Group Ltd., this report is forwarded to them at the request of their CPF Approved Nominees or SRS Operators and is sent solely FOR INFORMATION ONLY.
3. 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. CPF/SRS investors should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding appointment of proxies.

Personal Data Privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out on the back of this proxy form.

*I/We, ______________________ (Name) ______________________ (*NRIC/Passport/Co. Reg. No.)

of ____ (address), being
*a member/members of **Hosen Group Ltd.** (the "**Company**"), hereby appoint:

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

*and/or (delete as appropriate)

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

or failing *him/her/them, the Chairman of the Annual General Meeting ("**AGM**"), as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf, at the AGM of the Company to be **held physically** at 267 Pandan Loop, Singapore 128439 on **Tuesday, 29 April 2025 at 1.00 p.m.** and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against or to abstain 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 may vote or abstain from voting at *his/her discretion.

If you wish to exercise all your votes, please indicate your vote "For" or "Against" or "Abstain" with a "✓" within the boxes provided. Alternatively, if you wish to exercise some and not all of your votes "For" and Against" the resolution and/or to abstain from voting in respect of the resolutions, please indicate the number of votes "For", the number of votes "Against" and/or the number 'Abstain" in the boxes provided for the resolutions

		Number of Votes		
No.	**Resolutions relating to:**	**For**	**Against**	**Abstain**
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2024			
2	Payment of proposed first and final tax exempt (one-tier) dividend of 0.2 Singapore cents per ordinary share for the financial year ended 31 December 2024			
3	Re-election of Mr Lim Hock Chye Daniel as a director			
4	Re-election of Mr Leong Ka Yew as a director			
5	Approval of Directors' fees			
6	Re-appointment of BDO LLP as Independent Auditors			
7	Share Issue Mandate			
8	Renewal of Share Buy-Back Mandate			

* Delete where inapplicable

Dated this ______ day of ______________ 2025

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

____
Signature of Shareholder(s)
or Common Seal of Corporate Shareholder

Notes:

1. Each of the resolutions to be put to the vote of members at the AGM (and at any adjournment thereof) will be voted on by way of a poll.

2. Please insert the total number of Shares you hold. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the register of members of our Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the register of members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the register of members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares in the capital of the Company held by you.

3. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company.

4. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any subsequent named proxy as an alternate to the earlier named. The proxy form may be accessed on the SGX website.

5. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend 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 appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "**Relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act 1970 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;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

6. A member can appoint the Chairman of the AGM, who need not be a member of the Company, as his/her/its proxy, but this is not mandatory.

7. The instrument appointing a proxy(ies) ("**Proxy Form**") must be submitted to the Company in the following manner:

   (a) if submitted personally or by post, be lodged at the registered office of the Company at 267 Pandan Loop, Singapore 128439; or

   (b) if submitted by email, be received by the Company at hosenagm2025@hosengroup.com,

   in either case, **by no later 26 April 2025, 1.00 p.m. being at least seventy-two (72) hours before the time appointed for holding the AGM**, failing which the Proxy Form shall not be treated as valid.

8. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing or where it is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the proxy/proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof shall if required by law, be duly stamped must be lodged with the instrument.

9. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.

10. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy or proxies 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) for the purpose of the processing and administration by the Company (or its agents) of the appointment of proxies and representatives appointed for the Annual General Meeting (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) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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

CORPORATE INFORMATION

BOARD OF DIRECTORS:

FRANCIS YAU THIAM HWA	Non-Executive Independent Chairman
DANIEL LIM	Executive Director and Chief Executive Officer
LIM HAI CHEOK	Executive Director
SUSAN LIM KIM ENG	Executive Director
LEONG KA YEW	Non-Executive Independent Director
WEE PIEW	Non-Executive Non-Independent Director

SECRETARIES:

LOW MEI MEI MAUREEN
CHONG PEI WEN

SHARE REGISTRAR:

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

Auditor:

BDO LLP
Public Accountants and Chartered Accountants
600 North Bridge Road
#23-01 Parkview Square
Singapore 188778

Partner-in-Charge:

Philip Aw Vern Chun
(Appointed since the financial year ended 31 December 2023)

REGISTERED OFFICE:

267 Pandan Loop
Singapore 128439
Tel: (65) 6595 9222
Fax: (65) 6779 0186
Website: www.hosengroup.com

SPONSORS:

PrimePartners Corporate Finance Pte Ltd
16 Collyer Quay
#10-00 Collyer Quay Centre
Singapore 049318

REGISTERED PROFESSIONAL:

Ng Shi Qing

PRINCIPAL BANKERS:

CIMB Bank Berhad
DBS Bank Ltd
Malayan Banking Berhad
Oversea-Chinese Banking Corporation Ltd
The Hongkong and Shanghai Banking Corporation Ltd
United Overseas Bank Ltd

HOSEN GROUP LTD
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