



A N N U A L   R E P O R T   2 0 2 4

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# CORPORATE INFORMATION

## BOARD COMPOSITION

- **Board of Directors**  
Siaw Lu Howe  
*(Independent Director and Non-Executive Chairman)*  
Alan Chin Yu  
*(Executive Director)*  
John Lee Yow Meng  
*(Executive Director and Chief Financial Officer)*  
Ng Keok Chai  
*(Lead Independent Director)*  
Tan Gim Kang, Arran  
*(Non-independent Non-Executive Director)*  
Aris Muhammad Rizal  
*(Non-independent Non-Executive Director)*
- **Audit Committee**  
Ng Keok Chai  
*(Chairman)*  
Tan Gim Kang, Arran  
Siaw Lu Howe
- **Remuneration Committee**  
Ng Keok Chai  
*(Chairman)*  
Siaw Lu Howe  
Aris Muhammad Rizal
- **Nominating Committee**  
Siaw Lu Howe  
*(Chairman)*  
Ng Keok Chai  
Aris Muhammad Rizal
- **Environmental, Social and Governance Committee**  
Ng Keok Chai  
*(Chairman)*  
Tan Gim Kang, Arran  
Siaw Lu Howe

## COMPANY SECRETARY

Tong Shan, Helen

## REGISTRAR

Tricor Barbinder Share  
Registration Services  
9 Raffles Place  
#26-01 Republic Plaza  
Singapore 048619

## AUDITORS

### PKF-CAP LLP

Public Accountants and Chartered  
Accountants  
6 Shenton Way  
OUE Downtown 1 #38-01  
Singapore 068809

Audit Partner in charge  
(appointment since financial year  
2021)

Titus Kuan Tjian

## REGISTERED OFFICE

Apex @ Henderson  
201 Henderson Road  
#05-19  
Singapore 159545  
Tel : (65) 6332 9488

## OPERATING SUBSIDIARIES

- **Singapore**  
Tria Holdings Pte. Ltd.  
Asphere Holdings Pte. Ltd.  
Adroit Innovations Investment  
Pte. Ltd.  
SAL Resort & Development  
Pte. Ltd.  
Eufhoria Pte. Ltd.  
  
Apex @ Henderson  
201 Henderson Road  
#05-19  
Singapore 159545
- **Malaysia**  
Gemisuria Corporation Sdn.  
Bhd.  
  
No. 177-3, 3rd Floor,  
Jalan Sarjana  
Taman Connaught, Cheras  
56000 Kuala Lumpur  
Malaysia

- **Indonesia**

PT Rel-ion Sterilization  
Services

Kp. Mariuk RT.02 RW.02  
Gandamekar Cibitung  
Kec.Cikarang Barat  
Bekasi 17530  
Indonesia

- **Seychelles**

Solid Base Limited

P.O. Box 1239  
Offshore Incorporations Centre  
Victoria, Mahe  
Seychelles

## NON-OPERATING SUBSIDIARIES

- **Malaysia**  
Raintree Rock Sdn. Bhd.  
*(voluntary liquidation  
commenced on 1 November  
2022)*  
Trackplus Sdn. Bhd.  
*(voluntary liquidation  
commenced on 1 January  
2025)*  
  
No. 177-3, 3rd Floor,  
Jalan Sarjana  
Taman Connaught, Cheras  
56000 Kuala Lumpur  
Malaysia

## PRINCIPAL BANKERS

Maybank Singapore  
2 Battery Road  
#21-01 Maybank Tower  
Singapore 049907

DBS Bank Ltd  
12 Marina Boulevard  
Level 3  
Marina Bay Financial Centre Tower 3  
Singapore 018982

# BOARD OF DIRECTORS

## MR. ALAN CHIN YU

*Executive Director*

Mr. Alan Chin Yu ("**Mr. Yu**") was appointed as Executive Director on 6 November 2020 and was last re-elected on 26 April 2023.

Mr. Yu is a Bachelor of Commerce graduate from the University of Western Australia and a Fellow Member of the Institute of Chartered Accountants in Australia. He has extensive experience in banking, finance and corporate management. He has no other directorship in public or public-listed companies.

## MR. JOHN LEE YOW MENG

*Executive Director and Chief Financial Officer*

Mr. John Lee Yow Meng ("**Mr. Lee**") was appointed Executive Director and Chief Financial Officer on 25 April 2019. He was last re-elected on 27 April 2022.

Mr. Lee is a member of the Association of Certified Accountants, Malaysia. He has extensive experience in auditing, taxation, financial management, treasury operations and company secretarial work across many industries such as banking, manufacturing, retail, travel, property development, insurance and information technology. He has no other directorship in public or public-listed companies.

## MR. SIAW LU HOWE

*Independent Director and Non-Executive Chairman*

Mr. Siaw Lu Howe ("**Mr. Siaw**") was appointed Executive Chairman and Chief Executive Officer on 6 December 2017 and subsequently been re-designated as Independent Director and Non-Executive Chairman on 25 April 2024. He was last re-elected on 27 April 2022. He is the Chairman of the Nominating Committee and a member of the Audit Committee; Environmental, Social and Governance Committee; Remuneration Committee.

Mr. Siaw has had over 20 years of experience in managing diverse businesses, such as in hospitality, real estate and mining services industries, primarily located in the state of Sarawak, Malaysia. He has been a director at Sri Datai Construction (Sarawak) Sdn Bhd since 1995 and at Modal Sempura Sdn Bhd since 2009. He has no other directorship in public or public-listed companies.

## MR. NG KEOK CHAI

*Lead Independent Director*

Mr. Ng Keok Chai ("**Mr. Ng**") was appointed as Lead Independent Director on 25 April 2019 and was last re-elected on 26 April 2023. He is the Chairman of the Audit Committee; Remuneration Committee; Environmental, Social and Governance Committee, and a member of the Nominating Committee.

Mr. Ng holds a Bachelor of Laws (Hons.) from University of Wolverhampton, London and Certificate of Legal Practice from Legal Profession Qualifying Board, Malaysia. He started his early career as a Police Inspector with the Royal Malaysia Police in 1982 and was then posted to serve in Sarawak for 20 years until the rank of Assistant Superintendent of Police. During his tenure in Sarawak, his exposure included the Criminal Investigation

# BOARD OF DIRECTORS

Department, General Duty and Police Field Force. In 2003, Mr. Ng was transferred to West Malaysia to serve in Commercial Crime Investigation Department (“CCID”) until his retirement in 2019. Mr. Ng was promoted to Assistant Commissioner of Police in 2016 and his last held position was Principal Assistant Director in Forensic Accounting Investigation Division, CCID, Royal Malaysia Police, Bukit Aman. Throughout his 36 years’ service in Royal Malaysia Police, he was very much involved in police investigations due to his legal background. He specialises in criminal investigation across various fields which include commercial crime, general crime and forensic accounting with ample management and special operations experience.

Directorships in other listed companies (past 3 years):

- Hong Seng Consolidated Berhad
- CSH Alliance Berhad
- Dynaciate Group Bhd
- Green Packet Bhd

Directorships in other listed companies (present):

- Classita Holdings Berhad
- Landmarks Berhad

## MR. TAN GIM KANG, ARRAN

*Non-independent Non-Executive Director*

Mr. Tan Gim Kang, Arran (“**Mr. Tan**”) was appointed as the Independent Non-Executive Director on 30 May 2014 and subsequently been re-designated as Non-Independent Non-Executive Director upon his last re-election on 25 April 2024. He is a member of the Audit Committee; Environmental, Social and Governance Committee.

Mr. Tan has vast experience in the general civil and structural engineering, project management, construction management and traffic engineering and carpark management industry. His working experience spans across Singapore, New Zealand, Indonesia, Vietnam, India and United Arab Emirates. Mr. Tan has worked in various hospitality projects namely Bintan Lagoon Resort in Bintan/Indonesia, Premier Apartment in Surabaya/Indonesia, Summit Parkview Hotel in Yangon/Myanmar and Ananda In The Himalayas, Rishikesh/India where he is involved in various stages of the construction from conception, design and construction. Mr. Tan holds a Bachelor of Engineering (Civil) (2nd Class Honours) from the University of Canterbury in 1986. He has no other directorship in public or public-listed companies.

## MR. ARIS MUHAMMAD RIZAL

*Non-independent Non-Executive Director*

Mr. Aris Muhammad Rizal (“**Mr. Aris**”) was appointed as the Independent Non-Executive Director on 10 October 2014 and subsequently been re-designated as Non-Independent Non-Executive Director upon his last re-election on 25 April 2024. He is a member of the Nominating Committee; Remuneration Committee.

Mr. Aris holds a Bachelor of Engineering (Geological) from the University of Padjadjaran, Indonesia and is currently the operational manager at PT. Farindo Agung which is an Indonesian private company holding iron ore mining interest in Lamandau, Central Kalimantan, Indonesia. He has no other directorship in public or public-listed companies.

# CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors (the "Board") of Southern Archipelago Ltd. ("SAL" or the "Company" and together with its subsidiaries, the "Group"), I am pleased to present to you the Group's annual report for the financial year ended 31 December 2024 ("FY2024").

## BUSINESS OVERVIEW

FY2024 has been a year of reflection and strategic recalibration for SAL. It has been a challenging year in which the Group has faced significant headwinds, including ongoing global economic uncertainties, market volatility, and internal restructuring. While there were no major developments within the Group, we have taken this time to focus on fortifying our foundation and re-aligning our strategies for the future.

The Group's gross revenues for FY2024 were S\$4.82 million, which represents a modest decline from the previous year. We also recorded a smaller net profit before tax of S\$0.24 million as compared to previous year, largely due to continued challenges in finalising key acquisitions and strategic initiatives. Despite these setbacks, we remain committed to our long-term vision.

## KEY DEVELOPMENT AND CHANGES

### *Hospitality and Wellness Sector*

In previous years, SAL has been working towards expanding its presence in the hospitality and wellness industry. However, the proposed acquisitions we had been working on could not be finalized, primarily due to challenging market conditions and the longer-than-anticipated timelines for integration.

In light of this, the Group has made the decision to pause on any new acquisitions and focus on strengthening our existing assets and reassessing the opportunities in this sector. We will continue to closely monitor the market and remain open to new opportunities when the conditions are more favourable.

### *Sterilisation Business*

Our subsidiary, PT Rel-ion Sterilization Services ("PTRI") in Indonesia, has faced increased competition and operational challenges. PTRI reported revenue of S\$4.82 million for FY2024, reflecting a moderate decline compared to the previous year.

In FY2024, PTRI began upgrading its facilities to expand the business and improve efficiency, to maintain its competitiveness in this segment.



# CHAIRMAN'S STATEMENT

## ***Investment Holdings and Opportunities***

The voluntary liquidation process for Raintree Rock Sdn Bhd has been ongoing since FY2022. Additionally on 1 January 2025, the Group commenced voluntary liquidation of another of its subsidiary, Trackplus Sdn. Bhd.

Despite the challenges, the Group remains focused on identifying potential investment opportunities. However, the ongoing market conditions have made it difficult to secure suitable investments. As we continue to reassess the strategic direction of the Group, we will prioritize caution and prudence in any future investments.

## **SUPPORT FROM SUBSTANTIAL SHAREHOLDER**

Throughout this period of uncertainty, we have been grateful for the continued support from our substantial shareholder, and will continue to do so. The substantial shareholder's patience and understanding during this time have been invaluable. We will continue to work closely with our shareholders and other stakeholders to ensure that the Group remains resilient and well-positioned for the future.

## **THE WAY FORWARD**

Looking ahead to FY2025, we recognise that the road ahead may continue to be challenging. However, we are committed to pursuing opportunities for growth, both organically and through potential strategic acquisitions

when the time is right. The Board and management team are focused on ensuring that SAL is in a strong position to capitalise on market improvements as they arise.

We will continue to assess our portfolio, invest in our existing businesses, and explore avenues that can create long-term value for our shareholders.

## **CONCLUSION**

On behalf of the Board, I would like to express my gratitude to my fellow Board members, the management team and all the employees for their perseverance, hard work, and dedication during a difficult year. Their efforts, despite the challenges we faced, have been critical in ensuring that the Group remains focused on its long-term objectives.

To our shareholders, we deeply appreciate your continued trust and support. We are determined to work through these challenges and emerge stronger in the coming years.

Thank you for your continued confidence in SAL. We look forward to navigating the path ahead with renewed focus and determination.

Yours sincerely,

**SIAW LU HOWE**

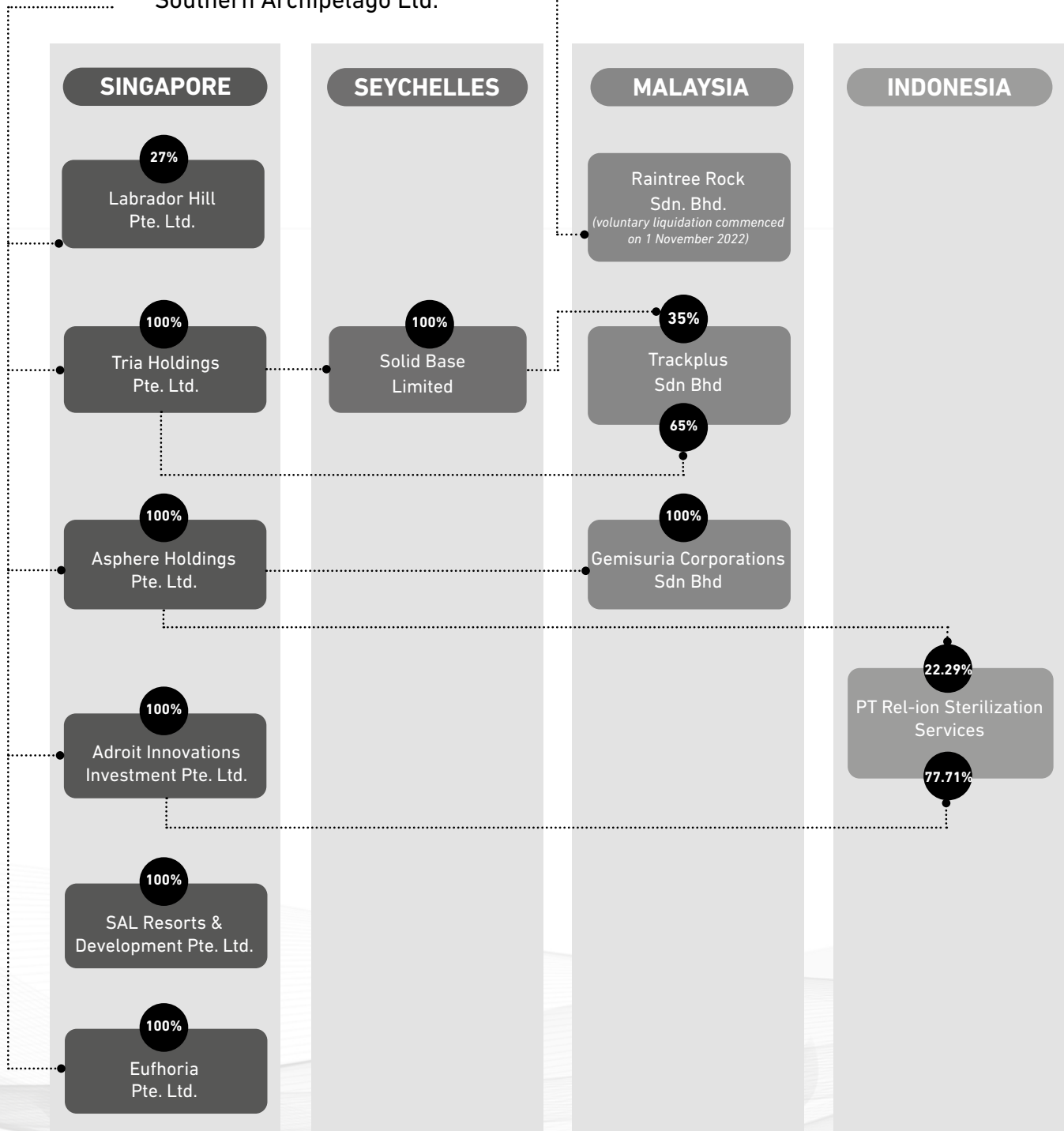
*Independent Director and Non-Executive Chairman*

# GROUP STRUCTURE

As at 31 December 2024



Southern Archipelago Ltd.





# COMPANY INFORMATION AND MANAGEMENT TEAM

## COMPANY INFORMATION

Southern Archipelago Ltd. (“SAL” or the “Company”) and its subsidiaries (collectively, the “Group”) is a strategic investment group. The Company has been listed on the mainboard of Singapore Exchange Securities Trading Limited since 2000. The Company is headquartered in Singapore, with operations in Singapore, Indonesia and Malaysia. With focus on global market trends, our business ventures are conducted in an ethical, environmentally, friendly, and socially responsible manner.

## MANAGEMENT TEAM

### MR. BRYAN NICHOLAS LEE MUN HEI

*Chief Executive Officer of Southern Archipelago Ltd.*

Mr. Bryan Lee is responsible for the overall management, operations, strategic planning and business expansion of the Group. He oversees the execution of the Group’s corporate and business strategies and the day-to-day operations of the Group.

### MR. ALAN CHIN YU

*Executive Director of Southern Archipelago Ltd.*

Mr. Alan Yu is responsible for the planning and implementation of the Group’s strategies and directions as well as overseeing the Group’s businesses and investments.

### MR. JOHN LEE YOW MENG

*Executive Director and Chief Financial Officer of Southern Archipelago Ltd.*

Mr. John Lee is responsible for managing the overall accounting and financial management of the Group.

### MR. YUSMAN, SH

*Managing Director of PT Rel-ion Sterilization Services*

Mr. Yusman is responsible for the overall operational aspects and day-to-day management of PT Rel-ion Sterilization Services. He holds a degree in Law from the University of Tanjung Pura, West Kalimantan, Indonesia.

# AUDITED YEAR END SUMMARY

## The Group

### Consolidated Statement of Comprehensive Income – S\$

	31 December 2024 12 months	31 December 2023 12 months
Operating Revenue	4,816,725	5,196,354
Other Gains – net	272,015	463,377
Interest Income	12,120	52,105
Total Expenses	(4,865,331)	(5,124,578)
Income Tax Expense	(388,252)	(542,825)
Total (Loss)/Profit of the Group	(152,723)	44,433
– Owners of the Company	(152,723)	44,433

## The Group

### Consolidated Statements of Financial Position – S\$

	As at 31 December 2024	As at 31 December 2023
Total Assets	10,842,757	8,886,607
Total Liabilities	(8,400,577)	(6,095,558)
Net Assets	2,442,180	2,791,049
Intangible Assets	64,519	-
Net Tangible Assets – The Group	2,377,661	2,791,049
Equity: The Group	2,442,180	2,791,049
– Owners of the Company	2,442,180	2,791,049

## Owners of the Company

### Per Share Computation

	31 December 2024	31 December 2023
Number of Shares	27,570,762,183	27,570,762,183
Net Assets Value per Share – in cents	0.0089	0.0101
Net Tangible Assets per Share – in cents	0.0086	0.0101
Weighted Average Number of Shares	27,570,762,183	27,570,762,183
(Loss)/Profit per Share – in cents	(0.0006)	0.0002

## The Group

### Ratio Computation

	31 December 2024	31 December 2023
Return on Assets	-1.4%	0.5%
Return on Equity	-6.3%	1.6%

# SUSTAINABILITY REPORT

Southern Archipelago Ltd. ("SAL" or the "Company," together with its subsidiaries, the "Group"), has maintained a listing on the Singapore Exchange Mainboard ("SGX-ST") since 19 June 2000. Headquartered in Singapore, the Group's operations extend across Singapore, Indonesia, and Malaysia.

The Group is currently organised into the following four business segments:



## Investment Holding

Investment in transferable securities, including but not limited to marketable shares, warrants and debentures.



## Sterilisation

Provision of contract sterilisation, decontamination and polymerisation services for food (non frozen), food (frozen), food packaging, medical devices, cosmetic, pharmacy, pharmacy packaging, and other consumer products.



## Property

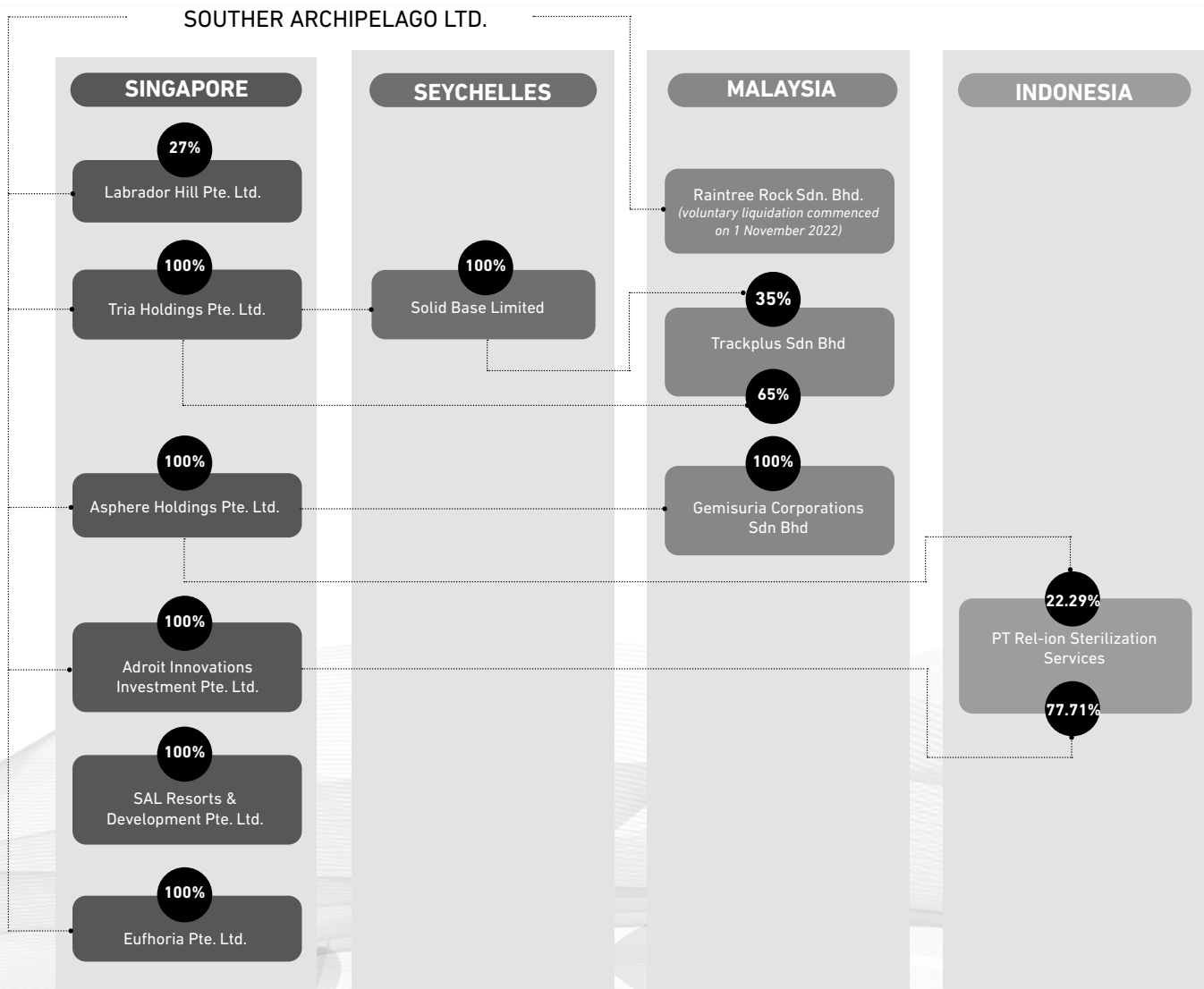
Development of properties for sale as well as the long-term holding of properties for rental and related income. This business segment is currently dormant.



## Hospitality and Wellness

Provision of hotel management and wellness services.

Our Group Structure (as of 31 December 2024) is as follows:



# SUSTAINABILITY REPORT

## SUPPLY CHAIN MANAGEMENT

Our group primarily provides sterilisation services and engages in investment holding. Our key supplier for the sterilisation business is Nordion (Canada) Inc., which provides the Cobalt rods.

## ABOUT THE REPORT

Southern Archipelago Ltd. is delighted to present the eighth edition of our annual sustainability report. This report highlights our Environmental, Social, and Governance (“ESG”) performance and initiatives for the financial year ended 31 December 2024 (“FY2024”), reflecting our progress in achieving ESG targets over the past year and reaffirming our dedication to future sustainability efforts.

The scope of this report includes all entities within our Group where we hold either a majority stake or full operational control. Particular emphasis is placed on the ESG impacts linked to our core revenue-generating activities, which consist of sterilisation, decontamination, and polymerisation services provided by PT Rel-ion Sterilisation Services (“PT Rel-ion”).

This report has been prepared with reference to the GRI Standards 2021 and the Task Force on Climate-related Financial Disclosures (“TCFD”) framework. Since 2017, we have leveraged the GRI reporting framework for its structured, globally recognised approach to addressing economic, environmental, and social impacts. Starting in 2023, we began progressively adopting the TCFD framework in compliance with SGX’s mandatory climate reporting requirements. The GRI and TCFD content indexes are included at the end of this report for reference.

In compliance with SGX-ST Listing Rules 711A and 711B, as well as Practice Note 7.6 on the Sustainability Reporting Guide, this report adheres to the six primary components of sustainability reporting. This year’s report includes a detailed quantification and disclosure of greenhouse gas emissions resulting from our business activities. Fully cognisant of the diverse risks and opportunities associated with the climate crisis, we remain steadfast in our commitment to mitigating the Company’s climate impacts and enhancing transparency in our sustainability practices.

The Group has not pursued external assurance for this sustainability report. All data and information included are presented in good faith and reflect our best knowledge and understanding.

We recognise the critical role of stakeholder feedback in advancing our sustainability efforts. Stakeholders are encouraged to share their insights or comments on this report or our sustainability initiatives through our website (<https://www.southernarchipelago.com>) or via email at: [info@southernarchipelago.com](mailto:info@southernarchipelago.com).

In keeping with our drive towards sustainability, physical copies of this report will not be printed. Instead, the Sustainability Report for FY2024 will be included in our Annual Report and a digital copy can be downloaded from SGXNet ([www.sgx.com](http://www.sgx.com)) or our website (<https://www.southernarchipelago.com>).

# SUSTAINABILITY REPORT

## BOARD STATEMENT

Dear Stakeholders,

On behalf of the Board of Directors (the “Board”), I am honoured to present Southern Archipelago Ltd.’s (“SAL”) eighth annual sustainability report, which highlights the Group’s key sustainability efforts and achievements for the financial year ended 31 December 2024. Our Board prioritises sustainability as a core component of our business and strategy, ensuring long-term value creation for stakeholders through robust governance, environmental responsibility, and social accountability. The Board considered sustainability issues in its business strategy, determining material ESG factors, and monitoring their effective management. Further enhancing our oversight, an ESG Committee of majority independent Board members provides specialised guidance on our sustainability policies and practices.

We have built upon the progress made in previous years by continuing to strengthen our sustainability governance framework, with active involvement from our Board and ESG Committee. The Board and the Committee has played an essential role in advancing the Group’s approach to monitoring and managing sustainability metrics. A significant feature of this year’s report is the expanded climate-related disclosures, which align with the Task Force on Climate-related Financial Disclosures (“TCFD”) framework. This demonstrates our ongoing commitment to transparency and accountability as we address the critical challenges of climate change.

As part of our climate ambitions, we have broadened our data disclosures to provide more detailed information on energy consumption and greenhouse gas emissions across the Group. These initiatives represent an important step in setting measurable goals and tracking our progress toward reducing our environmental footprint. Furthermore, our ESG Committee has increased its focus on climate risk management to ensure that the Group remains resilient and adaptable to the risks and opportunities arising from climate-related changes.

Recognising that sustainability is integral to long-term business success, SAL remains committed to continuous improvement in our ESG performance. Our priorities include delivering long-term economic value, safeguarding the well-being and safety of our employees, engaging with the environment through sustainable practices, and upholding strong corporate governance.

The Board extends its gratitude to all stakeholders for their continued trust and support. Together, we are confident in our ability to advance toward a sustainable future, and we look forward to sharing our progress in the years ahead.

### **Mr. Siaw Lu Howe**

*Independent Director and Non-Executive Chairman  
Southern Archipelago Ltd.*

# SUSTAINABILITY REPORT

## SUSTAINABILITY GOVERNANCE

As a Group, we prioritise strong corporate governance and the demonstration of environmental and social responsibility throughout our operations. We believe that addressing these key areas through comprehensive sustainability governance is crucial for protecting the interests of our investors, shareholders, and stakeholders, ultimately securing the long-term success of the Group.













The Group aligns with global sustainability frameworks, working diligently to minimise both environmental and social impact, while ensuring long term economic growth. The Group focus on creating lasting, positive change that supports both our business goals and the wellbeing of future generations.

The Board takes collective ownership of defining the strategic direction for the Group's sustainability efforts. Additionally, a dedicated ESG Committee, composed of majority independent Board members, offers targeted oversight of the Group's sustainability policies and practices.

The ESG Committee is tasked with the following roles and responsibilities:

- Identifying and prioritising material ESG topics for sustainability reporting.
- Evaluating and managing the risks and opportunities of material sustainability topics as well as climate change.
- Providing guidance for and reviewing the Group's overall vision and strategy as it pertains to ESG matters and climate change considerations.
- Monitoring the Group's performance against its sustainability targets and ambitions.
- Keeping the Board informed on sustainability-related regulatory changes that may impact the business of the Group or its strategy implementation.
- Providing regular updates to the Board on the Group's ongoing management of material sustainability topics and climate change.
- Reviewing and approving the annual Sustainability Report and other ESG related information disclosures of the Group.
- Assisting the Board to ensure the climate-related risks and opportunities are integrated to the Group's overall strategy and decision-making process.

All Directors have undergone the sustainability training required by SGX, with the exception of Mr. Siaw Lu Howe, who will arrange to have attend the training at his earliest availability. An overview of the composition of our Board of Directors and their respective committees during FY2024 is provided in the table below.

Directors	Nominating Committee	Remuneration Committee	Audit Committee	ESG Committee
Mr. Siaw Lu Howe (Independent Director and Non-Executive Chairman)	 Chairman	 Member	 Member	 Member
Mr. John Lee Yow Meng (Executive Director and Chief Financial Officer)				
Mr. Alan Chin Yu (Executive Director)				
Mr. Ng Keok Chai (Lead Independent Director)	 Member	 Chairman	 Chairman	 Chairman
Mr. Tan Gim Kang, Arran (Non-independent Non-Executive Director)			 Member	 Member
Mr. Aris Muhammad Rizal (Non-independent Non-Executive Director)	 Member	 Member		

Please refer to the Corporate Governance Report in the Company's FY2024 Annual Report for more details on our governance structure and composition, nomination and selection processes and remuneration policies for Board members.









# SUSTAINABILITY REPORT

## STAKEHOLDER ENGAGEMENT

SAL adopts a holistic approach to stakeholder engagement, recognising the significant influence stakeholders have on the Group's operations and decision-making. Understanding their critical role in value creation, we focus on fostering meaningful and long-term relationships. Through various engagement channels, we actively seek insights into their concerns and priorities, allowing us to respond with targeted and effective measures.

To enhance transparency and communication, the Group has implemented initiatives to gather and understand stakeholder perspectives, including those of shareholders, via its corporate website. Additionally, shareholders have the opportunity to express their views and seek clarifications on matters related to the Group during general meetings.

Stakeholders	Engagement Channels	Key Interests & Concerns
 Customers	<ul style="list-style-type: none"> <li>Daily interactions</li> <li>Enquiry and feedback channels</li> <li>Ad-hoc customer surveys</li> </ul>	<ul style="list-style-type: none"> <li>Top-notch customer service</li> <li>Quality management</li> </ul>
 Employees	<ul style="list-style-type: none"> <li>Annual performance appraisal</li> <li>Regular team meetings</li> <li>Regular medical check-ups</li> <li>Ad-hoc workplace radiation safety trainings</li> </ul>	<ul style="list-style-type: none"> <li>Labour rights and welfare</li> <li>Skills enhancement</li> <li>Occupational radiation protection, health and safety</li> </ul>
 Investors	<ul style="list-style-type: none"> <li>Regular investor meetings</li> <li>Annual and interim reports</li> <li>Periodic circulars to shareholders</li> </ul>	<ul style="list-style-type: none"> <li>Profitability and transparency</li> <li>Timely reporting and resolution of issues</li> </ul>
 Suppliers	<ul style="list-style-type: none"> <li>Periodic supplier evaluation</li> <li>Ad-hoc quotes comparison</li> <li>Periodic discussions</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with contractual terms and conditions</li> <li>Maintenance of ethical standards</li> <li>Material quality and waste management</li> </ul>
 Governments and Regulators	<ul style="list-style-type: none"> <li>Annual compliance audits</li> <li>Participation in conferences and seminars, on an ad-hoc basis</li> <li>SGX announcements</li> </ul>	<ul style="list-style-type: none"> <li>Adherence to rules and regulations as well as statutory disclosures and requirements</li> <li>Timely reporting and resolution of issues</li> </ul>
 Community	<ul style="list-style-type: none"> <li>Active participation in corporate volunteering programmes</li> </ul>	<ul style="list-style-type: none"> <li>Contribution to community development</li> <li>Compliance with socio-economic and environmental standards</li> </ul>






# SUSTAINABILITY REPORT

## MATERIALITY ASSESSMENT

SAL's sustainability strategy is founded on a comprehensive materiality assessment that evaluates the ESG impacts of our operations both internally and externally. This process incorporates stakeholder feedback and aligns with the GRI 3: Material Topics guidelines. For FY2024, we have reaffirmed the nine most material ESG topics identified in our FY2023 reassessment. These topics fall under three core pillars: (1) Our Business, (2) Our People, and (3) Our Environment, and are mapped to the relevant GRI Topic Standards. By addressing these key areas, we aim to drive long-term, sustainable value for the Company and its stakeholders.

The management team at SAL is responsible for identifying and overseeing the Group's sustainability impacts while monitoring emerging issues. Through stakeholder feedback and management's assessment, we have determined the ESG topics of highest relevance. With guidance from the ESG Committee, management compiles a list of material ESG topics, which is then reviewed and approved by the Board of Directors. These topics are disclosed in our annual sustainability report.

Material Topics	Associated Positive and Negative Impacts	Our Targets		
		Short-term (1 -3 years)	Medium-term (4-10 years)	Long-term (10 years to Y2050)
Pillar 1: Our Business				
<div>Economic Performance (GRI 201)</div> <div></div>	Sustainable financial performance means creating long-term economic value for all our stakeholders. We continuously monitor global market trends and keep a watchful eye on emerging investment opportunities, with the aim of maximising returns for our shareholders, creating more jobs, and ensuring the continuity of our business.	We aim to continue growing our core sterilisation business, PT Rel-ion.	We aim to increase the profitability of our hospitality and wellness businesses.	We aim to increase investments into our hospitality and wellness businesses, while delivering improved investor returns and creating good job opportunities in the process.
<div>Anti-corruption (GRI 205)</div> <div></div>	We believe in the importance of maintaining strong anti-corruption measures to protect the interests of our stakeholders, as this significantly enhances our organisation's reputation and helps to build stakeholders' trust in us. Having effective internal controls in place reduces the likelihood of fraudulent activities or other unethical behaviour.	We aim to have zero reported cases of fraud, misconduct or any breaches of the Company's Code of Conduct.		
<div>Customer Privacy (GRI 418)</div> <div></div>	The loss or theft of customer data can lead to significant legal and reputational risks for the organisation. To maintain our customers' confidence in our business, we are committed to ensuring strict compliance with Singapore's Personal Data Protection Act 2012 and Indonesia's Personal Data Protection Law No. 27 of 2022, while also streamlining data management processes in our day-to-day operations to improve business efficiency.	We aim to have zero breaches of customer data and privacy, including in the form of customer complaints or violations of Singapore's Personal Data Protection Act 2012 and Indonesia's Personal Data Protection Law No. 27 of 2022.		

# SUSTAINABILITY REPORT

Material Topics	Associated Positive and Negative Impacts	Our Targets		
		Short-term (1 -3 years)	Medium-term (4-10 years)	Long-term (10 years to Y2050)
Pillar 2: Our People				
<b>Employment (GRI 401)</b> 	We strive to establish a positive corporate culture that prioritises employee well-being and job satisfaction, with the aim of attracting and retaining top talent to further enhance our organisation's overall performance and success.	We aim to maintain our employee turnover rate.	We aim to grow our workforce while keeping our employee turnover rate at a similar level to previous years.	
<b>Occupational Health &amp; Safety (GRI 403)</b> 	Implementing comprehensive health and safety measures is key to ensuring the well-being of our workforce. We provide regular training and education to our employees to equip them with the necessary knowledge and skills to identify workplace hazards and prevent avoidable accidents.	We aim to have zero cases of workplace accidents.	We aim to increase the safety, health and welfare of our workers.	Through increasing their overall health and wellbeing, we aim to boost the productivity of our workers.
<b>Training and Education (GRI 404)</b> 	We prioritise the professional growth and development of our employees, by providing them with training opportunities to enhance and upgrade their skills and competencies.	We aim to provide more extensive training to our workers that will help them in the execution of their daily tasks.	By being better trained and more knowledgeable, we hope our workers will achieve higher levels of productivity.	We aim to have a work environment and culture that is conducive to the intra-company transfer and regeneration of relevant workplace knowledge.
Pillar 3: Our Environment				
<b>Energy (GRI 302)</b> 	Implementing effective energy management strategies is key to mitigating the risks associated with rising energy costs. Increasing energy efficiency can also lead to cost savings for the Group.	We aim to reduce unnecessary forms of energy consumption and wastage.	We aim to minimally maintain our current levels of energy efficiency.	We will set more long-term targets once we have obtained more data over time.
<b>Emissions (GRI 305)</b> 	Given the physical and transitional risks associated with climate change, we recognise the urgent need to quantify, analyse and reduce our GHG emissions, thereby mitigating associated reputational risks.	We will set more concrete targets for our emissions once we have collected more data over time and developed effective and measurable emissions reductions strategies.		
<b>Waste &amp; Resources Management (GRI 306)</b> 	Complying with local environmental regulations and industry standards on waste disposal and management is key to avoiding litigation cases and associated penalties that could be imposed on the Group.	We aim to set up periodic monitoring arrangements for the return time of radioactive Cobalt-60 pencils that are no longer usable. We will also aim to have zero radiation accidents at our business premises as well as zero cases of non-compliance with local nuclear-safety laws and regulations.		

# SUSTAINABILITY REPORT

## ECONOMIC PERFORMANCE

As a Group, we are dedicated to achieving robust economic performance every year, with a primary focus on sustaining and expanding our core sterilisation business. We aim to strengthen our market position and continuously improve our operations to meet both current and future demands. By maintaining a commitment to excellence, we strive to deliver consistent growth and value for our stakeholders, ensuring the long-term success and sustainability of the Group. From FY2023 to FY2024, the Group's external revenues decreased by S\$0.38 million, from S\$5.20 million to S\$4.82 million, mainly attributable to translation loss on stronger SGD over Indonesia Rupiah. PT Rel-ion is in the process of expanding its business capacity and we expect that it will remain a sizeable contributor to our overall revenue.

The table below illustrates the total economic value generated and distributed by the Group over the past two financial years:

(GRI 201-1)	FY2024 (\$'000)	FY2023 (\$'000)
<b>Economic Value Generated</b>		
External revenues	4,817	5,196
Interest income	12	52
Other gains	272	463
<b>Economic Value Distributed</b>		
Cost of raw materials and consumables used	76	71
Employee wages and benefits	2,263	2,847
Payments to providers of capital	-	-
Payments to government	388	543
Other losses	2,527	2,206
<b>Economic Value Retained<sup>1</sup></b>		
Net (Loss)/Profit	(153)	44

While our core sterilisation business continues to drive the growth of the Group, SAL has also been pursuing a strategy to diversify into the hospitality and wellness industry after obtaining shareholders' approval. However, due to challenging market condition, there have been no significant development in this area. That said, SAL remains committed to closely monitoring the market and will look to expand into this segment when conditions are more favourable. This will help diversify our revenue streams and align with our key objectives, including enhancing investor returns and creating meaningful employment in the regions where we operate.

We also recognise the significant challenges that climate change presents, including rising energy costs, stricter environmental regulations, and the potential damage to physical assets and infrastructure caused by increasingly frequent and severe weather events. We do not currently have a system in place to calculate the financial implications or costs relating to risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure. However, we are committed to develop appropriate scenario-based planning models to ensure our operations and economic performance are resilient and prepared for the impacts of the climate change.

Please refer to the Group's FY2024 Annual Report for more information on our economic performance and our business outlook.

<sup>1</sup> Economic Value Retained = Economic Value Generated – Economic Value Distributed

# SUSTAINABILITY REPORT

## ANTI-CORRUPTION

Our success as a Group depends largely on maintaining the trust of our stakeholders and protecting their interests. Upholding rigorous corporate governance standards is essential to this, with transparency, accountability, and integrity as the guiding principles. By committing to anti-corruption practices, we not only enhance our reputation but also align with the ethical expectations of our stakeholders.

Every member of the Group, from senior leadership to operational staff, is held accountable to our Code of Conduct and corporate values. We ensure compliance through various monitoring mechanisms, such as internal audits and assessments of responsibility execution at all levels. These efforts help to instil a culture of integrity, advancing our sustainability goals while benefiting all stakeholders.

Below, we detail the anti-corruption measures in place to prevent fraud and unethical conduct, which have been effective in supporting our corporate mission.

### Whistleblowing Policy

In FY2024, the Group enhanced its Whistleblowing Policy, establishing a structured mechanism for employees to confidentially report serious malpractice or misconduct without fear of reprisal. This enhanced policy offers a secure platform for employees, Group members, and associates to raise concerns regarding illegal, unethical, or improper activities, encompassing financial malpractice and misconduct that could negatively impact the Group, the public, or the environment. This proactive approach enables the Group to take timely pre-emptive and corrective measures, mitigating potential risks and preventing negative consequences associated with public disclosure.

The Group mandates that all employees promptly report any deviations, breaches, or potential violations of compliance and ethics commitments to designated individuals, including Executive Directors, the Chairman of the Board, the Chairman of the Audit Committee ("AC"), and/or the Company Secretary. Whistleblowers may report misconduct directly to the AC Chairman at [audit-comm@southernarchipelago.com](mailto:audit-comm@southernarchipelago.com) or escalate their concerns to relevant governmental or enforcement agencies or professional regulators if necessary. All reported concerns are subject to an initial investigation within seven working days, followed by a more detailed assessment by an investigation committee within 14 working days, depending on the complaint's nature and severity. Confidential records are maintained for all reported cases, and the AC receives periodic effectiveness reports on the policy. The Whistleblowing Policy is reviewed annually or as needed to ensure its ongoing relevance and effectiveness.

For FY2024, we are pleased to announce our whistleblowing channel did not receive any reported cases of fraud, misconduct, or breaches. Our Group remains committed to maintaining zero reported cases in the upcoming financial years.

### Interested Persons Transactions Policy

Procedures have been put in place by the Group within the AC's terms of reference to identify and review interested person transactions. To protect the interests of our shareholders, these transactions are conducted on an arm's length basis. The Board and AC are responsible for overseeing these transactions, ensuring adherence to Chapter 9 of the Listing Manual, and ensuring timely disclosures are made on SGXNet and within the Corporate Governance section of our Annual Report. In FY2024, no cases of material interested persons transactions under Chapter 9 of the Listing Manual were brought before the Board or AC.

# SUSTAINABILITY REPORT

## CUSTOMER PRIVACY

We recognise that safeguarding the personal data of our customers and employees is essential for building trust and ensuring business success. By upholding data privacy rights, we commit to using entrusted information only for legitimate and approved purposes, with explicit consent. Our ongoing efforts to enhance data management processes ensure the responsible collection, storage, use, and disclosure of all data under our care.

Understanding the risks associated with data breaches and leaks, which could compromise customer information, we are committed to maintaining customer trust through strict compliance with data protection regulations. In Singapore, we adhere to the Personal Data Protection Act 2012 ("PDPA"), and in Indonesia, we ensure full compliance with the Personal Data Protection Law No. 27 of 2022. Additionally, we continuously refine our data management practices to enhance operational efficiency and mitigate legal and reputational risks linked to corporate digital governance.

Our commitment to data privacy extends to our business partners, ensuring compliance with non-disclosure agreements where applicable. To further strengthen our data protection framework, we engaged an external consultancy specialising in personal data protection services. As part of this initiative, a legally qualified professional has been appointed as Southern Archipelago Ltd.'s Data Protection Officer ("DPO") to oversee PDPA compliance.

In FY2024, we received no complaints regarding breaches of customer privacy or data. To maintain our record of zero violations, we will ensure that all employees are well-informed about personal data protection policies and that data protection protocols are fully integrated into our daily operations.

## EMPLOYMENT

We are committed to being an equal opportunity employer, recognising and valuing the unique skills and abilities each individual brings to our organisation. We believe that every employee has the potential to make meaningful contributions, and we foster an inclusive workplace where diversity is embraced. Our hiring practices prioritise merit, ensuring that candidates are assessed fairly, regardless of race, age, religion, or cultural background.

As of 31 December 2024, our workforce comprised 79 employees (FY2023: 77 employees), all of whom are full-time and based in Singapore and Indonesia. A breakdown of our employees, by gender and geographic region, for FY2024 is as follows:

(GRI 2-7)	By Gender		By Region	
	Male	Female	Singapore	Indonesia
Permanent Employees	62	14	8	68
Temporary Employees <sup>2</sup>	3	-	-	3
All Employees	65	14	8	71

In line with the labour laws in Singapore and Indonesia, we make sure that all employees are provided with a comprehensive benefits package, as outlined in the Employee Handbook. This includes healthcare coverage, disability and invalidity protection, as well as childcare and maternity leave.

<sup>2</sup> Temporary employees relate to employees under contract employment, normally for one year



# SUSTAINABILITY REPORT

We also offer comprehensive parental leave benefits to support our employees, ensuring they have the time and flexibility to care for their growing families. For FY2024, 8 employees were entitled to parental leave, but none took it. The following table shows the parental leave statistics for FY2023 and FY2024:

Parental Leave (GRI 401-3)	FY2024			FY2023		
	Female	Male	Total	Female	Male	Total
Number of employees entitled to parental leave	8	0	8	8	0	8
Number of employees who took parental leave during the reporting period	0	0	0	1	0	1
Number of employees that returned to work in the reporting period after parental leave ended	0	0	0	1	0	1
Total number of employees due to return to work after taking parental leave	0	0	0	1	0	1
Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	1	0	1	2	0	2
Return to work rate <sup>3</sup>	NA	NA	NA	100%	NA	100%
Retention rate <sup>4</sup>	100%	NA	0%	100%	NA	100%

A breakdown of the Group's new employee hires and resignees, by gender and age group is as follows:

(GRI 401-1)	FY2024					FY2023				
	By Gender		By Age Group			By Gender		By Age Group		
	Male	Female	< 30 years	30 – 50 years	> 50 years	Male	Female	< 30 years	30 – 50 years	> 50 years
New Hires	4	0	3	1	0	11	1	11	1	0
Resignees	1	0	1	0	0	5	2	5	1	1

There were significant changes in hiring and resignations between FY2023 and FY2024. FY2023 had 12 new hires (91.7% male, 8.3% female), all under 50. Resignations totalled 7 (71.4% male, 28.6% female), with male resignations concentrated under 30 (71.4%) and between 30-50 (14.3%), and female resignations split between those two age groups (14.3% each). In FY2024, there were 4 new hires, all male, and distributed between those under 30 (75%) and those between 30-50 (25%). Resignations also fell to just 1, a male employee under 30. Overall, new hires decreased by 66.7% and resignations by 85.7%.

Our goal is to cultivate a high-quality work environment that attracts top talent while motivating existing employees to thrive. By fostering a positive corporate culture centred on employee well-being and job satisfaction, we aim to retain the best talent and strengthen our organisation's overall performance and success. For FY2024, we are proud to report that our employee turnover rate<sup>5</sup> was relatively low at 1.3% (FY2023: 9.1%) and our new hire rate<sup>6</sup> reduced to 5.1% (FY2023: 15.6%). Moving forward, we are focused on either maintaining or improving this rate. As our business grows, we also plan to expand our workforce and enhance our reputation as an employer of choice.

<sup>3</sup> Return to work rate = Total number of employees that did return to work after parental leave/Total number of employees due to return to work after taking parental leave

<sup>4</sup> Retention rate = Total number of employees retained 12 months after returning to work following a period of parental leave/Total number of employees returning from parental leave in the prior reporting period

<sup>5</sup> Turnover rate = Total resignees/Total employees

<sup>6</sup> New hire rate = Total new hires/Total employees

# SUSTAINABILITY REPORT

## OCCUPATIONAL HEALTH AND SAFETY

Given the radiological nature of our core business, ensuring the health and safety of our workforce remains a top priority at PT Rel-ion. We are dedicated to maintaining a safe, healthy, and accident-free work environment through a comprehensive Occupational Safety and Health ("OSH") program that prioritises both employee well-being and accident prevention.

To uphold these standards, we conduct regular health checks, provide radiation protection equipment for employees working in irradiation zones, carry out firefighting drills, and perform periodic fogging exercises on our premises. Our OSH policies are continuously communicated through training programs to ensure workplace practices align with our safety objectives. Additionally, all employees are enrolled in Indonesia's BPJamsostek and BPJS health programs for added protection.

In compliance with Indonesian Nuclear Energy Regulatory Agency ("BAPETEN") requirements, we have appointed Radiation Protection Officer ("RPO") to oversee regulatory adherence concerning radiation safety and security. Our commitment to maintaining a safe working environment is reinforced by our Operational Permit from BAPETEN and recognition for our stringent radiation exposure management. Furthermore, PT Rel-ion's operations are certified under ISO 9001:2015, demonstrating our adherence to international quality and safety standards.

We also invest in ongoing training and education to equip employees with the knowledge and skills necessary to identify workplace hazards and prevent avoidable accidents. Our workforce includes personnel certified in Occupational Safety and Health (K3) by the Indonesian Ministry of Manpower.

Throughout FY2024, we successfully maintained our track record of zero workplace accidents. We are proud to report full compliance with all applicable Radiation Safety and Radioactive Substance Security regulations in Indonesia, as outlined below.

- Law Number 10 of 1997: Nuclear Power
- Government Regulation No. 29/2008 Ioniser Radiation Source Utilisation License
- Government Regulation No. 45/2023 Ioniser Radiation Safety and Radioactive Substance Security
- BAPETEN Chairman's Regulation No. 6 of 2015 Radioactive Source Security
- BAPETEN Chairman's Regulation No. 6 of 2010 Health Monitoring of Radiation Workers
- BAPETEN Head Regulation No. 3 of 2020 Radiation Safety in the Use of Irradiators for Irradiations
- BAPETEN Head Regulation No. 4 of 2024 Working License for Officers at Radiation Facilities and/or Activities of Utilisation of Ioniser Radiation Sources

The well-being, health, and safety of our employees are our top priority. We are committed to preserving our record of zero workplace accidents and ensuring full adherence to government regulations. In the upcoming year, we will persist in providing regular OSH training to raise employee awareness of potential hazards and equip them with the necessary skills and knowledge to prevent incidents. We will also assess the effectiveness of our OSH programme through radiation safety inspections, compliance audits, and external evaluations. These ongoing initiatives will allow us to refine our practices and maintain a safe, healthy, and supportive work environment for all employees.

## TRAINING & EDUCATION

We are committed to offering equal opportunities for training and development to all our employees, recognising that fostering growth not only enhances individual skills and competencies but also cultivates a more inclusive, collaborative, efficient, and safe workplace.



# SUSTAINABILITY REPORT

To strengthen workforce productivity and keep employees' knowledge up to date, we utilise a mix of internal courses and external training. Training covers essential areas, such as proper handling of radioactive substances, radiological worker training, and fire evacuation procedures. Each department participates in these sessions at least biannually, reinforcing our dedication to continuous learning within the Group.

Supporting career development is a priority for us, and we provide constructive feedback and opportunities for advancement. Annual performance appraisals play a vital role in this, enabling us to acknowledge achievements, identify areas for improvement, and determine training needs to help employees grow within the organisation. As in FY2023, 100% of employees, regardless of their category, took part in a formal performance appraisal in FY2024.

In FY2024, our training programme expanded compared to the previous year, largely due to training conducted in relation to PT-Rel-ion's upgrading of their ERP system. Going forward, we will focus on developing targeted training and development initiatives to increase productivity and improve long-term career prospects for our employees. Ultimately, we expect these investments in training to foster an inclusive and collaborative work environment, while also facilitating the transfer and growth of institutional knowledge throughout the Group.

## ENERGY

Effective energy management has become increasingly crucial due to the impact of rising energy prices. Not only is it vital for environmental sustainability, but it also plays a key role in driving economic performance. We are committed to gaining a clear understanding of our energy consumption and implementing strategies to enhance both cost-efficiency and sustainability. In FY2024, we continue our efforts by disclosing quantitative data on our energy consumption, using FY2023 data as our baseline year.

To achieve our goals in this area, we are focusing on improving the energy performance of our building systems, exploring renewable energy sources, and investing in energy-efficient technologies, a shift from our current consumption of non-renewable fuel sources for the operation of our vehicles, generators, and forklifts. We will continue to monitor the trend of our energy consumption levels with the expansion of sterilisation business in order to develop our energy management strategies moving forward.

The table below highlights our energy consumption for FY2023 and FY2024, detailing the energy sources used and the quantity of non-renewable fuel consumed. To convert liquid fuel amounts in litres ("L") into energy consumed in kilowatt-hours ("kWh"), we have applied the GHG Protocol's Emission Factors from Cross Sector Tools.<sup>7</sup>

Type of Energy Source	FY2024		FY2023	
	Amount of Non-renewable Fuel used (L)	Amount of Energy Consumed (kWh) <sup>8</sup>	Amount of Non-renewable Fuel used (L)	Amount of Energy Consumed (kWh)
Gasoline	42,942	337,514	21,000	165,055
Diesel	-	-	85	736
Bio Diesel	230	1,267	-	-
Purchased Electricity <sup>9</sup>	NA	228,447	NA	202,487
Total Energy Consumption	NA	567,228	NA	368,278

<sup>7</sup> Calculations were done with reference to the Carbon Disclosure Project's (CDP) Technical Note: Conversion of fuel data to MWh. CDP-Conversion-of-fuel-data-to-MWh.pdf

<sup>8</sup> Amounts have been restated to correct calculation errors in FY2023

<sup>9</sup> Electricity was purchased from the respective national grids of Singapore and Indonesia.

# SUSTAINABILITY REPORT

In FY2024, fuel and electricity consumption generally increased, going up 54.0% from 368,278 kWh to 567,228 kWh. This increase is mainly attributable to current expansion works at PT Rel-ion. Gasoline usage more than doubled to 42,942 litres, resulting in a 104.5% increase in gasoline-derived energy to 337,514 kWh. Diesel was replaced by 230 litres of biodiesel, which contributed 1,267 kWh (0.2% of total consumption). Purchased electricity increased slightly by 12.8% to 228,447 kWh.

We will keep monitoring energy consumption across our business premises and operations to gain a detailed understanding of our energy performance and its contributing factors. This approach will help us set clear, actionable, and realistic targets in the future. In the immediate term, we will remain focused on reducing energy waste while ensuring optimal energy efficiency.

## EMISSIONS

As global focus on combating climate change continues to grow, companies encounter both risks and opportunities linked to effective GHG management. The Group acknowledges the importance of reducing and understanding its carbon footprint in light of these factors.

In FY2024, we report quantitative data on our GHG emissions for the second consecutive year. We are using FY2023 as our baseline for tracking future improvements. We have followed the GHG Protocol methodology, by the World Resources Institute and the World Business Council for Sustainable Development, to calculate our emissions.

Our Scope 1 emissions stem from the operation of motor vehicles, generators, and forklifts. Meanwhile, Scope 2 emissions are associated with the electricity purchased from the energy grids of Singapore and Indonesia. Scope 3 emissions from our value chain are not included in this reporting period. The table below provides an overview of the Group's total GHG emissions for FY2023 and FY2024.

Emissions Type	Amount of GHG Emissions (tCO <sub>2</sub> e)	
	FY2024	FY2023
Scope 1 <sup>10</sup>	101.65	49.65 <sup>11</sup>
Scope 2	173.18 <sup>12</sup>	152.43
Total GHG Emissions	274.83	202.08 <sup>13</sup>

Greenhouse gas emissions saw a substantial increase between FY2023 and FY2024. Scope 1, more than doubled, increasing by 104.7%. Scope 2 emissions also rose, though less dramatically, by 13.6%. As a result, total greenhouse gas emissions increased by 36.0%. This is due to the increase in gasoline and electricity consumption, as mentioned in the Energy section.

The ESG Committee is actively working to establish and implement strategies for managing our GHG emissions. Our primary goal is to incorporate environmental considerations and best practices from the industry into our operations and management processes.

We will continue tracking our GHG emissions while expanding our emissions inventory. Additionally, we are dedicated to establishing key performance indicators and implementing stronger mitigation strategies to drive long-term reductions in the Group's overall emissions. Our focus remains on developing effective, measurable strategies to achieve meaningful emission reductions.

<sup>10</sup> Emission Factors taken from United Kingdom Department for Energy Security and Net Zero Greenhouse gas reporting: conversion factors 2024 Version 1.1 <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024>

<sup>11</sup> Emissions for FY2023 have been restated to reflect updated emissions factors for 2024

<sup>12</sup> Singapore GEF taken from <https://www.ema.gov.sg/resources/singapore-energy-statistics/chapter2>; Indonesia GEF taken from Institute for Global Environmental Strategies (2024). List of Grid Emission Factors, version 11.5. Available at: <https://pub.iges.or.jp/pub/iges-list-grid-emission-factors>

<sup>13</sup> Total GHG emissions for FY2023 have been restated due to scope 1 restatement

# SUSTAINABILITY REPORT

## WASTE & RESOURCE MANAGEMENT

At PT Rel-ion, the sterilisation, decontamination and polymerisation processes generate hazardous waste, primarily in the form of ineffective radioactive Cobalt-60 pencils. Recognising the potential risks these materials pose to both human health and the environment, we are dedicated to ensuring their safe and responsible handling, transportation, storage, treatment, and disposal.

We collaborate closely with BAPETEN, Indonesia's regulatory authority for nuclear energy activities, to ensure strict compliance with all safety regulations. Our dedication to upholding the highest standards of nuclear safety and security has been recognised by BAPETEN, which has awarded us the Green Label and the BAPETEN Award for our outstanding efforts in this field. To safely manage Cobalt-60 pencils that are no longer in use, we return them to the manufacturer for disposal at a designated radioactive waste management facility, in accordance with our purchase agreement.

To manage radiation risks at PT Rel-ion, we rely on various irradiation equipment and supplies, including survey meters, ozone meters, conductivity meters, demineralised water, and water treatment systems. Should abnormal readings occur, the RPO is immediately alerted and takes necessary actions to minimise any risks.

In FY2024, PT Rel-ion added 30 new Cobalt-60 pencils and disposed 9 Cobalt-60 pencils that are no longer effective. We are committed to implementing processes that will regularly monitor the return time of ineffective Cobalt-60 pencils. This will help reduce their environmental exposure and maintain our objective of preventing any nuclear safety incidents. We remain steadfast in our commitment to uphold our record of zero radiation accidents and adhere to all safety regulations to achieve BAPETEN Awards.

The RPO conducts routine training sessions to ensure that employees are well-informed about the Group's legal responsibilities regarding radiation safety. Moreover, we have systems in place to guarantee the accurate and transparent reporting of any radiation-related incidents to the public. Our commitment to full accountability ensures that we provide stakeholders with clear information about investigations, corrective measures, and future prevention plans.

# SUSTAINABILITY REPORT

## TCFD RELATED DISCLOSURES

### Governance

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#### BOARD'S OVERSIGHT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

Our strong commitment to corporate governance, environmental stewardship, and social responsibility is integral to how we conduct our business. We recognise that effective sustainability governance is essential for protecting the interests of our investors, shareholders, and stakeholders while ensuring the Group's long-term growth and resilience.

The Board assumes collective responsibility for overseeing the Group's sustainability strategy, with a dedicated ESG Committee driving its implementation. Comprised of majority independent Board members, the ESG Committee is responsible for advancing the Group's sustainability agenda, ensuring that our policies and practices align with key ESG priorities.

The ESG Committee plays a critical role in identifying and prioritising material ESG topics for reporting, as well as assessing and managing risks and opportunities, including those related to climate change. It provides strategic direction on embedding ESG considerations into the Group's broader vision and operational strategy, fostering a proactive approach to sustainability. For planning purposes, we define short-term time horizons as 1 to 3 years, medium-term as 4 to 10 years, and long-term as between 10 years and the year 2050.

To uphold accountability, the ESG Committee continuously monitors the Group's sustainability performance, tracks progress against set targets, and keeps the Board informed of key regulatory developments that may impact the Group's operations or strategy. Additionally, it ensures that our annual Sustainability Report and other ESG disclosures remain transparent, accurate, and reflective of our ongoing efforts.

Through these initiatives, the ESG Committee plays a crucial role in integrating sustainability within the Group's strategic and operational framework. This reinforces our unwavering commitment to responsible business practices and aligns us with stakeholder expectations, positioning the Group for long-term sustainable success in an evolving global landscape.

At least annually, and on an ad-hoc basis as needed, the Board and ESG Committee review climate-related considerations as part of ongoing operational plans and policies. Additionally, they are actively working towards integrating climate-related issues into future mergers and acquisitions ("M&A") strategies.

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#### MANAGEMENT'S ROLE IN ASSESSING AND MANAGING CLIMATE-RELATED RISKS AND OPPORTUNITIES

Our management team collaborates closely with the ESG Committee to define sustainability objectives, address challenges, and track progress. Climate-related risks are also factored into all decision-making processes.

The Group is currently in the process of assigning management roles to strengthen sustainability governance and ensure effective oversight. We remain fully committed to meeting all regulatory requirements, reinforcing our dedication to compliance and responsible business practices.

# SUSTAINABILITY REPORT

## STRATEGY

### CLIMATE-RELATED RISKS

Name of Risk	Scope of Risk and Timeframe	Risk Mitigation and Management
<b>Policy and Legal</b>	Singapore, medium-long term	<ol style="list-style-type: none"> <li>1. Stay informed on policy and regulatory changes: Regular training, consultation and discussion with the consultant to keep the management and board members update on the frequently updated frameworks and guidelines.</li> <li>2. Compliance with reporting and disclosure requirements: Ensure full compliance with legal and regulatory requirements, including timely disclosure of risks and company's strategy for managing risk.</li> </ol>
<b>Policy and Legal</b>	Indonesia, medium-long term	<ol style="list-style-type: none"> <li>1. Adhere to regulatory compliance and safety standards: Ensure compliance with the bounded regulations and guidelines.</li> <li>2. Compliance with Reporting and Disclosure Requirements: Ensure full compliance with legal and regulatory requirements, including timely disclosure of risks and company's strategy for managing risk.</li> <li>3. Training and skill development: Establish comprehensive safety protocols. Provide ongoing training to adhere to the safety protocols and ensure regulatory compliance.</li> </ol>
<b>Technology</b>		<ol style="list-style-type: none"> <li>1. Stay ahead of technological advancement: Continuously monitor the latest developments in the sanitisation and irradiation industry.</li> <li>2. Educate and training on new technologies: Provide regular training and development programs to upskill employees, ensuring they can work alongside new technologies and take on more complex roles. Foster a culture of continuous learning and innovation to stay updated on technological advancements.</li> </ol>
<b>Reputation</b>		<ol style="list-style-type: none"> <li>1. Monitor and manage customer feedback.</li> <li>2. Invest in brand reputation and marketing</li> </ol>
<b>Market</b>		<ol style="list-style-type: none"> <li>1. Monitor and adapt to evolving regulatory and industry standards: Stay ahead of regulatory changes allows the Group to adapt its services and maintain market access.</li> <li>2. Conduct market research: Conduct market research to understand customer needs, industry trends and emerging demand for sterilisation/irradiation services.</li> </ol>

# SUSTAINABILITY REPORT

## CLIMATE-RELATED OPPORTUNITIES

Type of Opportunity	Scope of Risk (by Sector or Geographical) and Timeframe	Management Approach
<b>Markets Opportunities</b>	Singapore, medium-long term	<ol style="list-style-type: none"> <li>1. Stay informed and monitor regulatory changes and compliance requirement: Stay informed with the evolving regulatory changes affecting sectors such as sustainability and ensure that investments adhere to the local regulations.</li> <li>2. Strategic investments/partnerships/alliances: Leveraging on networks of partners/alliances to find opportunities in ESG and adhere to the emerging regulations, when engaging new markets/industries, technologies or customer bases.</li> </ol>
<b>Products and Services Opportunities</b>	Indonesia; medium-long term	<ol style="list-style-type: none"> <li>1. Strengthen customer relationships and diversify services: Expand service offerings to cater to a broader range of industries and diversify by providing various sterilisation options.</li> <li>2. Market research and service enhancement: Conduct market research to understand customer needs, industry trends, and emerging demands for sterilisation services. Engage in research and development to improve service offerings, reduce operational costs, and enhance operating efficiency.</li> </ol>
<b>Markets Opportunities</b>		<ol style="list-style-type: none"> <li>1. Create awareness of benefits of sterilisation process to attract new industries: Identify new industries segments by creating awareness through introduction and education of the benefit of sterilisation processes.</li> <li>2. Diversify customer base and market segments: Penetrate into new market and to diversify industries.</li> <li>3. Evaluate market competition: Regularly monitor market competition to help company stay competitive and responsive to market changes to expand its market share.</li> </ol>



# SUSTAINABILITY REPORT

## RISK MANAGEMENT

As part of our climate risk management framework, we conducted a dedicated workshop, facilitated by an external consultant, to assess climate-related risks and opportunities. This session provided a structured evaluation process in alignment with the company's risk management framework, ensuring that climate risks were identified, documented, and integrated into our broader risk management framework.

Each country-level operation first assessed climate risks and opportunities specific to its region. These localised assessments were then consolidated at the Group level to determine the most significant risks relevant to the organisation as a whole. Workshop participants engaged in a hands-on exercise to assess, rank, and prioritise these risks based on their potential impact on the company. The findings were systematically compiled into a climate risk register, with final approval and adoption by management. The final set of key risks was submitted to the Board for review and input, ensuring alignment with strategic objectives and governance oversight.

To support effective climate-related disclosures, our consultant also provided a reporting template, enabling management to input and track key risks, opportunities, and mitigation measures. This structured approach enhances our ability to proactively manage climate risks and integrate them into our overall business strategy.

## METRICS AND TARGETS

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### METRICS USED TO ASSESS CLIMATE-RELATED RISKS AND OPPORTUNITIES IN LINE WITH ITS STRATEGY AND RISK MANAGEMENT PROCESS.

We are committed to environmental responsibility, focusing on energy management, emissions reduction, and waste handling. Our goal is to balance operational efficiency with sustainability, maintaining full compliance with all applicable regulations and standards. As such, the metrics we use to assess climate-related risks and opportunities are on energy consumption, emissions, and their respective intensities.

Effective energy management is essential for controlling rising energy costs and improving operational efficiency. We prioritise minimising energy consumption and waste across our operations, aiming to at least maintain current energy efficiency levels. Longer term, we plan to establish impactful energy efficiency targets once sufficient data is available. Addressing GHG emissions is another key component of our climate change response. We are committed to quantifying and analysing our emissions to develop effective reduction strategies, recognising both the physical and transitional risks of climate change. As we expand our sterilisation business and explore investment opportunities in the hospitality and wellness sector, management is currently studying climate-related targets (both qualitative and quantitative), taking these business plans into consideration.

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### EMISSIONS AND TARGETS

Please refer to the Emissions section and targets presented earlier in the report on page 22 and 15.



# SUSTAINABILITY REPORT

## GRI CONTENT INDEX

<b>Statement of Use</b>	Southern Archipelago Limited has reported with reference to the GRI Standards for the period from 1 January to 31 December 2024.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI STANDARD		PAGE NO.
<b>GRI 2: General Disclosures 2021</b>		
<b><i>The Organisation and its Reporting Practices</i></b>		
2-1	Organisational details	10
2-2	Entities included in the organisation's sustainability reporting	10
2-3	Reporting period, frequency and contact point	10
2-4	Restatements of information	21, 22
2-5	External assurance	10
<b><i>Activities and Workers</i></b>		
2-6	Activities, value chain and other business relationships	9
2-7	Employees	18
2-8	Workers who are not employees	NA
<b><i>Governance</i></b>		
2-9	Governance structure and composition	12
2-10	Nomination and selection of the highest governance body	38 - 40
2-11	Chair of the highest governance body	12
2-12	Role of the highest governance body in overseeing the management of impacts	12
2-13	Delegation of responsibility for managing impacts	12
2-14	Role of the highest governance body in sustainability reporting	12
2-15	Conflicts of interest	52 - 59
2-16	Communication of critical concerns	17
2-17	Collective knowledge of the highest governance body	12
2-18	Evaluation of the performance of the highest governance body	40 - 41
2-19	Remuneration policies	41 - 45
2-20	Process to determine remuneration	41 - 45
2-21	Annual total compensation ratio	Nil
<b><i>Strategy, Policies and Practices</i></b>		
2-22	Statement on sustainable development strategy	11
2-23	Policy commitments	14
2-24	Embedding policy commitments	14
2-25	Processes to remediate negative impacts	13

# SUSTAINABILITY REPORT

GRI STANDARD		PAGE NO.
2-26	Mechanisms for seeking advice and raising concerns	17
2-27	Compliance with laws and regulations	14 - 15
2-28	Membership associations	We are a member of the Singapore Business Federation
<b>Stakeholder Engagement</b>		
2-29	Approach to stakeholder engagement	13
2-30	Collective bargaining agreements	13
<b>GRI 3: Material Topics 2021</b>		
3-1	Process to determine material topics	14
3-2	List of material topics	14 - 15
<b>Economic Performance</b>		
3-3	Management of material topics	16
201-1	Direct economic value generated and distributed	16
201-2	Financial implications and other risks and opportunities due to climate change	16
<b>Anti-Corruption</b>		
3-3	Management of material topics	17
205-3	Confirmed incidents of corruption and actions taken	17
<b>Energy</b>		
3-3	Management of material topics	21 - 22
302-1	Energy consumption within the organisation	21 - 22
<b>Emissions</b>		
3-3	Management of material topics	22
305-1	Direct (Scope 1) GHG emissions	22
305-2	Energy indirect (Scope 2) GHG emissions	22
<b>Waste &amp; Resource Management</b>		
3-3	Management of material topics	23
306-1	Waste generation and significant waste-related impacts	23
306-2	Management of significant waste-related impacts	23
306-3	Waste generated	23
<b>Employment</b>		
3-3	Management of material topics	18 - 19
401-1	New employee hires and employee turnover	19
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	18
401-3	Parental leave	19

# SUSTAINABILITY REPORT

GRI STANDARD		PAGE NO.
<b><i>Occupational Health and Safety</i></b>		
3-3	Management of material topics	20
403-1	Occupational health and safety management system	20
403-2	Hazard identification, risk assessment, and incident investigation	20
403-3	Occupational health services	20
403-4	Worker participation, consultation, and communication on occupational health and safety	20
403-5	Worker training on occupational health and safety	20
403-6	Promotion of worker health	20
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	20
<b><i>Training and Education</i></b>		
3-3	Management of material topics	20 - 21
404-2	Programs for upgrading employee skills and transition assistance programs	21
404-3	Percentage of employees receiving regular performance and career development reviews	21
<b><i>Customer Privacy</i></b>		
3-3	Management of material topics	18
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	18

# SUSTAINABILITY REPORT

## TCFD CONTENT INDEX

TCFD PILLARS	RECOMMENDED DISCLOSURES	Page
<b>Governance</b>		
Disclose the organisation's governance around climate-related risks and opportunities	Describe the board's oversight of climate-related risks and opportunities.	24
	Describe management's role in assessing and managing climate-related risks and opportunities.	24
<b>Strategy</b>		
Disclose the organisation's governance around climate-related risks and opportunities.	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	25 - 26
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	25 - 26
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	25 - 26
<b>Risk Management</b>		
Disclose how the organisation identifies, assesses, and manages climate-related risks	Describe the organisation's processes for identifying and assessing climate-related risks.	27
	Describe the organisation's processes for managing climate-related risks.	27
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	27
<b>Metrics and Targets</b>		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	Disclose the metrics used the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	27
	Disclose Scope 1, Scope 2 and if appropriate, Scope 3 greenhouse gas ("GHG") emissions and the related risks.	22
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	15

# CORPORATE GOVERNANCE REPORT

## **INTRODUCTION**

This report outlines the main corporate governance practices and procedures adopted by Southern Archipelago Ltd. (“**SAL**” or “**Company**” and together with its subsidiaries, the “**Group**”) with specific reference to the Code of Corporate Governance dated 6 August 2018 (last amended 11 January 2023) (“**Code**”). The Group and the Board of Directors (“**Board**”) are committed to ensure and fully supports the Principles and Provisions of the Code that forms part of the continuing obligations as described in the Singapore Exchange Securities Trading Limited’s (“**SGX-ST**”) Listing Manual. The Board recognises that sound corporate governance practices are important to the proper functioning of the Group and enhances the interest of all shareholders.

This report describes the Company’s corporate governance practices that were in place throughout the financial year ended 31 December 2024 (“**FY2024**”), with specific reference to the Code.

The Board is pleased to confirm that the Group has adhered to the Principles and Provisions of the Code, except where otherwise explained. In areas where there are deviations from the Provisions of the Code, appropriate explanations are provided and the Company will continue to assess its needs and implement appropriate measures accordingly.

### **The Code**

The Code is divided into five main sections, namely:

- (A) Board Matters
- (B) Remuneration Matters
- (C) Accountability and Audit
- (D) Shareholder Rights and Engagement
- (E) Managing Stakeholder Relationships

### **(A) BOARD MATTERS**

#### ***Principle 1: The Board’s Conduct of its Affairs***

***The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.***

As of the date of this report (i.e. 4 April 2025), the Board of Directors of the Company (“**Board**”) comprises six (6) members (“**Directors**”), namely:

Mr. Siaw Lu Howe (Independent Director and Non-Executive Chairman)  
Mr. John Lee Yow Meng (Executive Director and Chief Financial Officer)  
Mr. Alan Chin Yu (Executive Director)  
Mr. Ng Keok Chai (Lead Independent Director)  
Mr. Tan Gim Kang, Arran (Non-independent Non-Executive Director)  
Mr. Aris Muhammad Rizal (Non-independent Non-Executive Director)

The profile of each Director is presented in the section headed “Board of Directors” of this Annual Report.

SAL is headed by competent Board members with diversified backgrounds and they collectively bring with them a wide range of experience. Each Director brings to the Board specific industry knowledge and expertise.

# CORPORATE GOVERNANCE REPORT

Newly appointed Directors will be provided with a formal letter, setting out their duties and obligations and first-time Directors will be required to attend relevant training. The Company has in place general orientation-training programs to ensure that every newly appointed and incoming Director of the Company is familiar with the Group's operations and governance practices including briefing on the Group's financial performance, strategies and action plans, corporate strategic direction, policies and activities.

The Company will arrange for newly appointed Director who does not have prior experience as a director of a public listed company in Singapore to attend relevant training courses organised by the Singapore Institute of Directors in accordance with Rule 210(5)(a) of the Listing Manual and Practice Note 2.3.

The Directors are briefed and/or updated regularly on accounting and regulatory changes as well as changing commercial risks, where necessary, including but not limited to: (a) amendments to the SGX-ST Listing Manual and Code of Corporate Governance, (b) changes to the Companies Act 1967, (c) changes to the Financial Reporting Standards and (d) changes to Environmental, Social and Governance reporting requirements.

The Board acknowledges the dynamic nature of the business landscape and the increasing need for companies to adopt sustainable practices. In line with this, the Board highly values the continuous professional development of its members and encourages them to attend relevant seminars and courses to stay abreast of the latest developments and changes in financial and regulatory requirements, as well as global sustainability trends and their impact on the business environment. The Company recognises the importance of supporting its members' efforts and is committed to covering the associated costs of these events. By promoting ongoing education and awareness, the Board and Company aim to foster a culture of sustainability and responsible business practices.

## Role of the Board of Directors

The Board establishes the corporate strategies for the Group and sets strategic directions and objectives for the Management, supervises them and monitors the performance of these objectives to enhance and build long term sustainable value for shareholders.

The Board has delegated the day-to-day management of the Group to the Management headed by the Executive Directors and Chief Executive Officer to facilitate effective management. The principal functions of the Board are to, *inter alia*:

- provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
- establish a framework of prudent and effective controls which enables risk to be assessed and managed including safeguarding of the shareholders' interest and the Group's assets;
- review and monitor the performance of Management;
- set the Group's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met;
- consider sustainability issues, where applicable, in the formulation of its strategies;
- monitor and review the adequacy of the Group's internal control systems, risk management systems, compliance and financial reporting systems;
- approve the annual budgets, business plans, major funding proposals, financial restructuring, share issuance, investment and divestment proposals; and
- review the Group's financial performance.



# CORPORATE GOVERNANCE REPORT

The Board carries out its function directly or through various committees, which have been set up to support its role.

Each Director is expected, in the course of carrying out his duties to act in good faith and consider the interests of the Company at all times. To support this, the Board practices a code of conduct and ethics that all Directors generally follow.

The Board recognises the importance of setting the right tone-from-the-top and fostering a culture of integrity and accountability throughout the organisation. Directors facing conflicts of interest are expected to recuse themselves from discussions and decisions involving such issues to avoid any potential bias or influence on the decision-making process. By adhering to these standards, the Board ensure that their decisions are always made with the Company's best interests in mind, and that the operations are conducted in a transparent and responsible manner.

The Board has established and delegated certain specific responsibilities to the following four (4) committees to support the role of the Board:

- Nominating Committee ("**NC**");
- Remuneration Committee ("**RC**");
- Audit Committee ("**AC**"); and
- Environmental, Social and Governance Committee ("**ESGC**")

(collectively, the "**Board Committees**")

The Board Committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis or at least once a year. The effectiveness of the Board Committees is also constantly monitored and reviewed by the Board. The roles and responsibilities of the Board Committees are provided for in the latter sections of this report.

The Board accepts that while the Board Committees have the authority to examine particular issues and will report to the Board their decisions and recommendations, the ultimate responsibility for the final decision on all matters lies with the entire Board.

## **Matters Requiring the Board's Approval**

The matters which require the Board's approval, include but are not limited to:

- statutory requirements such as approval of annual report and financial statements;
- other requirements such as interim and annual results announcements;
- financial objectives and financial performance of the Group;
- corporate strategic direction, strategies and action plans;
- the setting of policies and key business initiatives;
- major funding, material acquisition, investments, disposal and divestments and other material transactions; and
- the appointment and removal of the company secretaries.



# CORPORATE GOVERNANCE REPORT

The Board has established financial authorisation and proper approval processes pertaining to the operating and capital expenditures, including acquiring and disposing of assets and investments. This includes proper procedures, guidelines, handbooks, policies and forms that are set forth and established for guidance, monitoring and review.

## Meetings of Board and Board Committees

The Board holds at least two meetings each year to approve the half year and full year results announcement of the Group. The dates of all the Board and Board Committee meetings, as well as the Annual General Meeting (“AGM”), are scheduled in advance each year, in consultation with the Board. Ad-hoc meetings are convened as and when the circumstances require. In addition to these meetings, special corporate events and actions requiring the Board’s immediate approval were discussed over electronic mails and telephonic conference. The Board and Board Committees may also make decisions by way of circulating written resolutions. The Company’s Constitution allows the Board to hold teleconference and video-conference meetings.

The Board and Board Committee meetings this year were conducted through a mixture of physical sessions and video-conferences. The number of Board and Board Committee meetings held in FY2024 and the attendance of each Director where relevant are set out below. Directors who are not members of the Board Committees had attended the Board Committee meetings by invitation:

Name	Board of Directors		NC		RC		AC		ESGC	
	No. of Meetings		No. of Meetings		No. of Meetings		No. of Meetings		No. of Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr. John Lee Yow Meng	3	3	1*	1*	1*	1*	3*	3*	1*	1*
Mr. Siaw Lu Howe	3	0	1*	0	1*	0*	3*	0	1*	0*
Mr. Ng Keok Chai	3	3	1	1	1	1	3	3	1	1
Mr. Tan Gim Kang, Arran	3	3	1	1	1	1	3	3	1	1
Mr. Aris Muhammad Rizal	3	3	1	1	1	1	3	3	1	1
Mr. Alan Chin Yu	3	3	1*	1*	1*	1*	3*	3*	1*	1*

\* By invitation

## Multiple Board Representations

All directors are required to declare their board representations. When a Director has multiple board representation, the NC will consider whether the director is able to adequately carry out his duties as a Director of the Company, taking into consideration the director’s number of listed company board representations and other principal commitments. The NC has reviewed and is satisfied that sufficient time and attention had been given by the Directors to the affairs of the Company during FY2024.

The Board is provided with Board papers in advance before each Board Meeting, giving the background, explanatory information and justification for each decision and mandate sought by the Management, including, where applicable, pertinent financials, to enable them to be properly informed of matters to be discussed and/or approved.

All Directors have separate and independent access to the Management team of the Group at all times and can communicate directly with the Management, the officers, the Company Secretary and external auditors as well as internal auditors and environment, social and governance consultant on all matters as and when they deem necessary. They have full access to the Company’s records and information and may obtain independent legal and other professional advice if they deem necessary in the discharge of their responsibilities properly. Such expenses are to be borne by the Company.

# CORPORATE GOVERNANCE REPORT

The Company Secretary and/or representative(s) from the Company Secretary's office will attend the Board Meetings and Board Committee meetings and are responsible for recording the proceedings. In addition, the Company Secretary and/or her representative(s) will assist the Chairman in ensuring that Board procedures are followed and reviewed so that the Board functions effectively, and the Company's Constitution and relevant rules and regulations, including requirements of the Singapore Companies Act and the SGX-ST, are complied with. The appointment and removal of the Company Secretary are decided by the Board as a whole.

## **Principle 2: Board Composition and Guidance**

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

### **Board Composition and Independent Directors**

For FY2024, the Board comprises six (6) Directors, two (2) of whom are Executive Directors, two (2) are Non-Independent Non-Executive Directors and two (2) are Independent Non-Executive Directors.

The Company has complied with provisions 2.3 of the Code, as non-executive directors make up the majority of the Board.

The composition of the Board takes into consideration the nature and scope of the Group's operations to ensure diversity and relevant skill sets for effective decision making. The Directors have varied qualifications and expertise in finance, accounting, business management, industry knowledge and strategic planning. Taking into account the scope and nature of the Group's operations as well as the diversified background and experience of the Directors, the NC and the Board are satisfied that the composition of the Board is of an appropriate size to facilitate effective decision making in the best interests of the Company. The NC is also of the view that the current Board comprises persons who as a group provide capabilities required for the Board to be effective.

The Board is aware that gender diversity on the Board is one of the recommendations under the Code to provide an appropriate balance of diversity. Although there is currently no female Director appointed to the Board, the Board does not rule out the possibility of appointing a female Director if a suitable candidate is nominated for the Board's consideration.

The Company has built a diverse, inclusive and collaborative culture. The Company continues to recognise and practices diversity on the Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In reviewing the Board composition and appointments, the NC takes into consideration diversity of skills, experience, background, gender, age, ethnicity and other relevant factors although merit remains the key driver.

The Company has adopted the Code's definition of "Independent Director" and its guidance in respect of relationships which would deem a director to be regarded as non-independent. An Independent director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of the Company. Two of the Board members, including the Chairman of the Board are Independent Directors, which brings a strong and independent element to the Board. The functions of examining and assessment of the Board are delegated to the NC and its responsibilities and assessment are further discussed under the Nominating Committee heading, Principle 4 and Principle 5 as below.

As part of good corporate governance, the NC also reviews annually the independence of Independent Directors to ascertain the compliance to the Code's definition of independence. Conversely, the NC has the discretion to determine that a Director is non-independent.

# CORPORATE GOVERNANCE REPORT

In addition, the Non-Executive Directors are constructively reviewing and assisting the Board to facilitate and develop proposals on strategy and review the performance of the Management in meeting on agreed objectives and monitoring the reporting of performance. On the effectiveness, the Independent Directors have the full access and co-operation from the Company's Management and officers including on a regular basis, presentation and review of the financial performance. The Independent Directors have full discretion to have separate meetings and to invite any Directors or officers to the meetings and to meet without the presence of Management as and when warranted by certain circumstances.

During FY2024, the Independent Directors met at least once in the absence of key management personnel to discuss matters of significance. The meetings were conducted through a mixture of physical sessions and video-conferences.

The Independent Directors namely Mr. Ng Keok Chai and Mr. Siaw Lu Howe has each confirmed that they do not have any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment with a view to the best interest of the Company.

The NC assesses the independence of each Director in accordance with the guidance provided in the Code and is satisfied that Mr. Ng Keok Chai and Mr. Siaw Lu Howe each meets the criterion of independent as set forth and each of them exercise independent business judgement in the best interests of the Company and its shareholders, when discharging his duties as a Director of the Company.

As at the date of this Report, none of the Independent Directors have served on the Board for more than nine (9) years.

The Board will continue to review the composition of the Board to ensure that it remains balanced and effective, and that it has the necessary skills and experience to support the Company's growth and strategy. The Board will make necessary arrangements to release relevant announcement(s), as and when applicable to the SGX-ST for any changes of the Board composition.

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

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

The roles of the Chairman and CEO are separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

Mr. Siaw Lu Howe is the Independent Non-Executive Chairman ("**Chairman**") of the Company and he leads the Board and is responsible for the management of the Group. As the Chairman, Mr. Siaw encourages Board's interaction with the Management, facilitates effective contribution of Non-Executive Directors, encourages constructive relationships among the Directors and ensures that the Group complies with the Code and maintains high standards of corporate governance. In addition, he also ensures that the Directors receive accurate, timely and clear information and there is effective communication with shareholders of the Company.

The CEO is responsible for the overall management, operations, strategic planning and business expansion of the Group. He oversees the execution of the Group's corporate and business strategies and the day-to-day operations of the Group. His performance and appointment will be reviewed periodically by the NC and his remuneration package is reviewed by the RC.

During FY2024, Mr. Bryan Nicholas Lee Mun Hei has been appointed as CEO of the Company. Mr. Siaw Lu Howe and Mr. Bryan Nicholas Lee Mun Hei are not related to each other and do not have any business relationship between them.

The Board is of the view that there is a clear division of responsibilities between the Chairman and CEO, in order to ensure that there is an appropriate balance of power, increased accountability and sufficient capacity of the Board for independent decision making.

# CORPORATE GOVERNANCE REPORT

Mr. Ng Keok Chai is the Lead Independent Director of the Company. The Lead Independent Director is available to shareholders when they have concerns in which contact through the normal channels of communication with the Non-Executive Chairman or the Management has failed to resolve, or for which such contact is inappropriate or inadequate.

Led by the Lead Independent Director, the Independent Directors of the Company would meet when necessary, without the presence of the other Executive Directors.

All the Board Committees are chaired by an Independent Director and the majority of the Board Committees consists of Independent Director and all are Non-Executive Directors.

## **Principle 4: Board Membership**

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

### **Nominating Committee (“NC”)**

As at the date of this report, the NC of the Company comprises three (3) members, namely:

- Mr. Siaw Lu Howe (Chairman);
- Mr. Ng Keok Chai; and
- Mr. Aris Muhammad Rizal.

Majority of the members of the NC, including the chairman are Independent Directors. The members meet at least once a year.

The Board is of the view that the current NC size and composition are appropriate and effective to provide the necessary objective inputs to the Board on appointment and re-appointment of Directors and other relevant matters to the Board. The Board will constantly examine the NC composition from time to time.

The NC has specific written Terms of Reference setting out their duties and responsibilities. The NC's main principal functions are as follows:

- review and assess candidates for directorships (including executive directorships) before making recommendations to the Board for the appointment of Directors;
- ensure that new Directors are aware of their duties and obligations and decides if a Director is able to and has been adequately carrying out his duties as a Director of the Company;
- review and recommend the re-nomination/re-election/re-appointment of Directors in accordance with the Constitution and Listing Rules at each annual general meeting and having regard to the Director's contribution and performance;
- determine annually whether a Director of the Company is independent;
- review of structure, composition, size and diversity of the Board on the adequate ability to meet the Group's existing scope of needs and the nature of operation for effective decision making taking into consideration the changes in the nature and scope the Group's operations as well as diversified background, qualification, experience of the Directors and regulatory environment;
- decide whether a Director is able to and has adequately carried out his duties as a Director of the Company in particular where the Director concerned has multiple board representations. Where possible, the NC shall formulate internal guidelines that can address the competing time commitments that are faced when Directors serve on multiple boards;



# CORPORATE GOVERNANCE REPORT

- decide how the Board's performance may be evaluated and propose objective performance criteria, subject to the approval of the Board. Such performance criteria, that allow comparison with its industry peers, should be approved by the Board and address how the Board has enhanced long-term shareholders' value. These performance criteria should not be changed from year to year and where circumstances deem it necessary for any of the criteria to be changed, the onus should be on the Board to justify such changes;
- individual evaluation should aim to assess whether each Director continues to contribute effectively and demonstrate commitment to the role (including commitment of time for Board and committee meetings, and any other duties). The Chairman of the Board should act on the results of the performance evaluation, and where appropriate, propose new members be appointed to the Board or seek the resignation of directors, in consultation with the NC;
- assess the performance of the Board as a whole and contribution of each Director to the effectiveness of the Board;
- review and make recommendation to the Board on relevant matters relating to the succession plans of the Board, in particular, the Chairman, Directors, the CEO and/or key management personnel; and
- review and make recommendations to the Board on the training and professional development programme for the Board.

The process for the selection and appointment of new Board members is as follows:

- the NC evaluates the balance of skills, knowledge, experience and diversity of the Board and, in light of such evaluation and in consultation with the Board, prepares a description of the role and the essential and desirable competencies for a particular appointment;
- the NC may engage consultants to undertake research on, or assess, candidates for new positions on the Board;
- the NC meets with short-listed candidate(s) to assess their suitability and to ensure that the candidate(s) are aware of the expectations; and
- the NC makes recommendations to the Board for approval.

The NC establishes the process for assessing the effectiveness of the Board and for assessing the contribution by each individual Director. It also makes recommendations to the Board on re-appointments of Directors based on their contributions and performance, a review of the range of expertise, skills and attributes of current Board members, and the future needs of the Board.

The Board has placed each individual Director such that he is able to devote sufficient time and attention to discharge his duties and responsibilities as Directors of the Company, bearing in mind his other commitments. In considering the nomination of Directors for re-election and re-appointment, the NC will take into account, amongst others, the competing time commitments faced by the Directors with multiple board representations.

In FY2024, Mr. Ng Keok Chai is the only Director holding multiple directorships in other listed companies. Majority of the Directors and Board Committee members had attended all Board and Board Committee meetings respectively. The NC has reviewed and is satisfied that sufficient time and attention had been given by all the Directors to the affairs of the Group. The NC is of the opinion that there is presently no need to implement internal guidelines to address their competing time commitments and that the current Board size is adequate for the effective functioning of the Board.

# CORPORATE GOVERNANCE REPORT

Pursuant to Rule 720(5) of the Listing Rules, all Directors must submit themselves for re-nomination and re-appointment at least once every three (3) years. Pursuant to the Company's Constitution, one-third of the Directors are required to retire by rotation and submit themselves for re-election at each annual general meeting ("AGM") of the Company. All the Directors shall retire by rotation at least once every three (3) years and such retiring Director shall be eligible for re-election.

On the nomination of re-election of retiring Directors, the NC would assess the performance and contribution of the Directors and subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the Directors to the Board for its consideration and approval.

The NC has reviewed and recommended to the Board that Mr. John Lee Yow Meng and Mr. Siaw Lu Howe be nominated for re-election at the forthcoming AGM, who are retiring pursuant to Regulation 111 of the Company's Constitution. Both nominated Directors have expressed their willingness for re-election at the forthcoming AGM (the "retiring Directors"). The Board has accepted the NC's recommendations and agreed that the resolutions on the re-election of the retiring Directors be tabled for shareholders' approval at the forthcoming AGM.

Please refer to the Notice of AGM for the resolutions put forth in relation to the respective re-elections and details of the retiring Directors including the information required under Appendix 7F of the Listing Rules are disclosed in pages 126 to 130 of this Annual Report.

Key information regarding the Directors, including their present and past three years' directorships in other listed companies are set out in the section headed "Board of Directors" of this Annual Report.

There is no alternate director appointed on the Board.

## **Principle 5: Board Performance**

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

The NC has adopted a formal process to assess the effectiveness of the Board as a whole and for assessing the contribution by each individual Director. This evaluation is to be carried out at least once a year. When a Director has multiple board representations, the Director would need to ensure that sufficient time and attention is given to the affairs of each company. Nevertheless, the NC will also review and assess whether the Director is able to and has been adequately carrying out the duties as a Director of the Company. Upon assessment, the NC will make recommendations for improvement, as and when required.

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

For FY2024, the Directors were requested to complete an assessment checklist/form which focuses on the criterion on effectiveness and efficiency on the Board's access to information, evaluation of the size and composition of the Board, the Board's processes, procedures and compliance, accountability, Board's performance in connection to discharging its responsibilities and duties and Directors' standards of conduct. In addition, the Board also considered the qualitative measures such as the effectiveness of the Board in its monitoring role and the attainment of the strategic objectives set by the Board.

The individual assessment would include and aim to assess efficiency and effectiveness of the Chairman and each Director's continuous contribution to the Board and commitment to their roles and responsibilities in discharging their duties.

Upon reviewing the assessment, the NC is of the opinion that the Board and all its members have sufficiently contributed to the Board and Group during the year.



# CORPORATE GOVERNANCE REPORT

Each member of the NC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his performance or re-nomination as a Director.

An external facilitator to evaluate and assess the Board, its Board Committees and each Director has not been appointed as the Board believes that the quality and objectivity of the current process and evaluations implemented are sufficient and adequate.

Furthermore, the Board will continuously review and assess the current size and composition of the Board on the adequate ability to meet the Group's existing scope of needs and the nature of operation for effective decision making. From time to time, the review of the appropriateness will be taking into consideration the changes in the nature and scope of the Group's operations as well as diversified background, experience of the Directors and regulatory environment.

## (B) REMUNERATION MATTERS

### ***Principle 6: Procedures for Developing Remuneration Policies***

***The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.***

As at the date of this report, the RC of the Company comprises three (3) members, namely:

- Mr. Ng Keok Chai (*Chairman*);
- Mr. Siaw Lu Howe; and
- Mr. Aris Muhammad Rizal.

All the members of RC are non-executive directors, the majority of whom, including the RC Chairman are independent.

The Board is of the view that the current RC size and composition are appropriate and effective to provide the necessary objective inputs to the Board on reviewing and recommending to the Board a remuneration framework for the Board, Management and key management personnel of the Company as well as other compensation related matters to the Board. The Board will examine the RC composition from time to time.

The RC is governed by the RC's Terms of Reference which describes the duties and responsibilities of the RC. The duties and functions of the RC are as follows:

- recommend to the Board, the framework of remuneration for the Board (including non-executive directors and executive directors), the CEO (or executive of equivalent rank) and key management personnel of the Company;
- recommend specific remuneration packages for each of the Directors and key management personnel of the Group, including payment of fees to non-executive directors taking into consideration of their effort, time spent, responsibilities and contribution;
- review service contracts and/or employee contracts, where applicable;
- review the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contract of services, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous;

# CORPORATE GOVERNANCE REPORT

- oversee and review the administration of the employees share option scheme (and such other similar share plans as may be implemented by the Company from time to time) upon the terms of reference as defined in the said employee share option scheme and to recommend the award of share options according to the share plan. It has delegated to the Compensation Committee to administer the Southern Archipelago Employee Share Option Scheme 2023 ("**SAL ESOS 2023**") and Southern Archipelago Performance Share Plan 2023 ("**SAL PSP 2023**"), as well as the Blumont Employee Share Option Scheme 2013 ("**Blumont ESOS 2013**") which had fully vested;
- engage such professional services as RC may deem necessary to enable it to discharge its duties hereunder satisfactorily; and
- other acts as may be required to comply with the SGX-ST and the Code from time to time.

The RC covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind, compensation/termination and gratuities. The members of the RC shall not be involved in the discussion and decision of their own remuneration. Each member of the RC shall abstain from voting on any resolutions in respect of his own remuneration package.

Termination clauses are included in the service agreements for Directors and key management personnel. The RC has reviewed and recommended to the Board, and the Board concurred that the termination clauses are fair and reasonable, and are not overly generous. There was no termination of any Directors and key management personnel during FY2024.

The RC may obtain independent professional advice if it deems necessary in the discharge of its responsibilities properly. Such expenses are to be borne by the Company.

The Board has not engaged any external remuneration consultant to advise on remuneration matters for FY2024.

The Non-Executive Directors are paid a fixed director's fee for their efforts, responsibilities, time spent and contribution to the Board. Directors' fees are recommended by the Board for approval by shareholders at the Company's AGMs.

## **Principle 7: Level and Mix of Remuneration**

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

The review of the remuneration packages takes into consideration the long-term interests of the Group, the performance of the Group, overall assessment of the Board, the individual assessment of each Director, level of contribution to the Company and Board, taking into account factors such as, efforts, time spent, responsibilities and duties of the Directors, carefully evaluating the costs and benefits of each incentive before recommendation to the Board for review and approval. Nevertheless, the RC will ensure that the Independent Directors are not over-compensated to the extent that their independence may be compromised.

For FY2024, the RC reviewed the compensation and remuneration packages such that the Directors and key management personnel were sufficiently compensated. In addition, the RC provided appropriate compensation packages at market rates for the Board and key management personnel of the Company to reward good performance, attract and motivate the Directors and key management personnel.

# CORPORATE GOVERNANCE REPORT

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

## **Principle 8: Disclosure on Remuneration**

***The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.***

The Company recognises that a clear disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid/payable to the Directors and the key management personnel.

The Company's remuneration policy is to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate Directors and key management personnel with the required experience and expertise.

All Executive Directors do not receive Directors' fees. The remuneration package of each of the Executive Director comprises a basic salary component and a variable component which is the annual bonus, based on the performance of the Group as a whole and their individual contribution. The performance-related component of the remuneration package is designed to align the interests of the Executive Directors with those of Shareholders and link rewards to the Group's financial performance. No Directors are involved in deciding their own remuneration. The RC reviews the fairness and reasonable of the termination clauses contain in the service agreements of the Executive Directors to ensure that such contracts of service are not overly generous, with an aim to be fair and avoid rewarding poor performance.

There were no termination or retirement benefits and post-employment benefits that are granted to the Executive Directors of the Company in FY2024.

Mr. Bryan Nicholas Lee Mun Hei (Chief Executive Officer ("CEO")), Mr. John Lee Yow Meng (Executive Director and the Chief Financial Officer ("CFO")) and Mr. Alan Chin Yu (Executive Director) each has a service agreement with the Company. The service agreement can be terminated by either party giving not less than one (1) month notice and both parties have the option to pay salary in lieu of any required notice period.

The Independent Directors and the Non-Executive Directors are paid fixed Directors' fees appropriate to their level of contribution, taking into account factors such as effort and time spent, and their responsibilities on the Board and Board Committees. They do not receive any other form of remuneration from the Company. The Independent Directors have not been over-compensated to the extent that their independence is compromised.

The RC has proposed and recommended that the Directors' fees of S\$103,500 (similar to FY2024) for the financial year ending 31 December 2025, payable quarterly in arrears. The Board concurred with the RC's proposal and recommended that the said Directors' fees be tabled for shareholders' approval at the forthcoming AGM.

The Company's share incentive award plans, SAL ESOS 2023 and SAL PSP 2023 are as described below:

### **SAL ESOS 2023**

At the Extraordinary General Meeting held on 10 August 2023, the shareholders of the Company approved the SAL ESOS 2023, for granting non-transferable options to employees (including Executive Directors) and Non-Executive Directors of the Company.

The SAL ESOS 2023 is administered by the Compensation Committee which is overseen by the Remuneration Committee.

# CORPORATE GOVERNANCE REPORT

The SAL ESOS 2023 shall continue to be in force at the discretion of the Compensation Committee for a period of ten years from 10 August 2023. However, the period may be extended or terminated with the approval of shareholders at a general meeting of the Company and any relevant approvals which may then be required.

Under the SAL ESOS 2023, Market Price Options may be exercised from the 1st anniversary of the date of grant to the 5th anniversary of the date of grant for Non-Executive Directors and the 10th anniversary of the date of grant for group employees such as Executive Directors and staffs. Discounted Price Options may be exercised from the 2nd anniversary of the date of grant to the 5th anniversary of the date of grant for Non-Executive Directors and the 10th anniversary of the date of grant for group employees such as Executive Directors and staffs.

The subscription price for each ordinary share in respect of which an option is exercisable shall be determined by the Compensation Committee as follows:

- (a) fixed at the market price equal to the average of the last dealt prices for the share on the SGX-ST for the three (3) consecutive trading days immediately preceding the date of grant of that option; or
- (b) set at a discount to a market price, provided that the maximum discount shall not exceed twenty per cent (20%) of the Market Price.

There was no share options granted under the SAL ESOS 2023 in FY2024.

## **SAL PSP 2023**

At the Extraordinary General Meeting held on 10 August 2023, the shareholders of the Company approved the SAL PSP 2023, for granting of incentive share awards to employees (including Executive Directors) and Non-Executive Directors of the Company.

The SAL PSP 2023 is administered by the Compensation Committee which is overseen by the Remuneration Committee.

The SAL PSP 2023 shall continue to be in force at the discretion of the Compensation Committee for a period of ten years from 10 August 2023. However, the period may be extended or terminated with the approval of shareholders at a general meeting of the Company and any relevant approvals which may then be required.

A participants' award under the SAL PSP 2023 will be determined at the sole discretion of the Compensation Committee. In considering an award to be granted to a participant, the Compensation Committee may take into account, *inter alia*, the participant's performance and/or contribution to the Company.

Awards granted under the SAL PSP 2023 will typically vest only after the satisfactory completion of performance-related award conditions and/or other conditions such as vesting period(s) applicable for the release of the award. No minimum vesting periods are prescribed under the SAL PSP 2023, and the length of the vesting period(s) in respect of each award will be determined on a case-by-case basis.

There was no performance shares granted under the SAL PSP 2023 in FY2024.

## **Disclosure on Remuneration of Individual Director**

The RC has reviewed and approved the remuneration packages of the Directors and key management personnel, having regard to their contributions as well as the financial performance and the commercial needs of the Company and has ensured that the Directors and key management personnel are adequately but not excessively remunerated.

There were no termination or retirement benefits and post-employment benefits that are granted to the Executive Directors and key management personnel in FY2024.

# CORPORATE GOVERNANCE REPORT

A breakdown of each individual Director's and the CEO's remuneration for the financial year ended 31 December 2024 of the Group is as follows:

Name	Director Fees (%)	Salary & Allowance (%)	Benefits-in-kind (%)	Bonus (%)	Fair value of share options granted (%)	Termination Benefit (%)	Total (S\$)
<b>Executive Directors</b>							
Alan Chin Yu	-	90	10	-	-	-	152,451
John Lee Yow Meng	-	90	10	-	-	-	152,864
<b>Non-Executive Directors</b>							
Siaw Lu Howe	100	-	-	-	-	-	20,700
Ng Keok Chai	100	-	-	-	-	-	36,225
Tan Gim Kang, Arran	100	-	-	-	-	-	25,875
Aris Muhammad Rizal	100	-	-	-	-	-	20,700
<b>CEO</b>							
Bryan Nicholas Lee Mun Hei	-	100	-	-	-	-	69,000

Bryan Nicholas Lee Mun Hei is the son of Lee Teck Yuen, being 29.49% shareholder of the Company, held through his wholly-owned company, Mezzanotte Capital Pte. Ltd. through its wholly owned subsidiary, Ultimate Horizon Pte. Ltd.

As at the date of this Report, the Group has only one (1) Key Management Personnel (who is not a Director and/or CEO of the Company) and the remuneration of the Key Management Personnel in FY2024 is as follows:

Name	Salary & Allowance (%)	Benefits-in-kind (%)	Bonus (%)	Fair value of share options granted (%)	Total (S\$)
Yusman SH	96	-	4	-	319,132

There is no employee of the Group who is a substantial shareholder of the Company, or an immediate family member of a Director or the CEO or a substantial shareholder whose remuneration exceeds S\$100,000 for the FY2024.

## (C) ACCOUNTABILITY AND AUDIT

### **Principle 9: Risk Management and Internal Controls**

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

The Board is committed to maintaining a sound system of internal controls to safeguard shareholders' investments and the Group's assets. The Board with the support of the AC, oversees the Management in the design, implementation and monitoring of the risk management and internal control systems including reviewing the adequacy and effectiveness of the Company's risk management and internal control systems.



# CORPORATE GOVERNANCE REPORT

The internal auditor and the external auditor conduct reviews and audits that involve testing the adequacy and effectiveness of material internal controls on key risks. Any material non-compliance or lapses in internal controls and its corresponding mitigating actions will be reported to the AC. At least annually, the Board, with the assistance from the AC, will review the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology risks.

At present, the Board relies on the internal auditor, the external auditors' reports and management letter prepared by the external auditor to highlight any material non-compliance or weaknesses in internal controls. There were no major weaknesses in internal controls highlighted by the Group's external auditor or the internal auditor for the attention of the AC for FY2024.

Based on the internal controls established and maintained by the Group, the work performed by the internal and external auditors, and reviews performed by Management and the AC, the Board with the concurrence of the AC, are of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology controls and risk management systems, were adequate and effective as at FY2024. This is in turn supported by assurance from the Executive Directors and CFO that:

- (a) the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances and are in accordance with the relevant accounting standards; and
- (b) they have evaluated the adequacy and effectiveness of the Group's risk management and internal controls and have discussed with the Company's external and internal auditors of their reporting points and noted that there have been no significant deficiencies in the design or operation of internal controls which could adversely affect the Group's ability to record, process and report financial data. Accordingly, the Group's risk management and internal control systems (including financial, operational, compliance and information technology controls) are adequate and effective.

In ensuring that the Group's risks are managed adequately and effectively, risk mitigation action plans are in place to deal with matters such as operational disruptions, workplace and employee health and safety, employee availability, IT systems functionality, cyber security, access management, communication protocols and contractual and regulatory compliance, so as to mitigate and minimise the negative impact on the Group's operations.

The Board notes that all internal control systems contain inherent limitations and no internal control system could provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error losses, fraud or other irregularities. However, other procedures, policies, guidelines and compliance regulations, as discussed in the Annual Report, are in place to mitigate any possible and/or suspected irregularities. Nothing has come to the attention of the AC, Board and/or the Management that there is any deficiency in the internal control systems that resulted in significant loss and/or material financial misstatements.

The Group is aware that each business transaction carries risk whether internally and/or externally in the form of environmental, operational, financial and/or Management decision making risk. The operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Other risks include legal risk and strategic risk (the risk of loss arising from poor strategic business decisions). The Group's financial risk management and policies are further outlined under heading "Financial Risk Management" in the "Financial Statement" section of this Annual Report.

The Group regularly reviews and improves its business and operations activities to identify areas of significant business risks as well as respond appropriately to control and mitigate these risks. The Company reviews all significant control policies and procedures and highlights all significant matters to the AC and the Board.



# CORPORATE GOVERNANCE REPORT

## Principle 10: Audit Committee

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

As at the date of this report, the Audit Committee (the “AC”) of the Company comprises three (3) members, namely:

- Mr. Ng Keok Chai (*Chairman*);
- Mr. Tan Gim Kang, Arran; and
- Mr. Siaw Lu Howe.

All members of the AC are Non-Executive Directors and the majority of whom, including the AC Chairman, are independent. The members do not have any management and business relationships with the Company or any substantial shareholder of the Company. At least two (2) members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience. None of the AC members was previously partners or directors of the Company’s external audit firm or hold any financial interest in the external audit firm.

The members meet at least two (2) times in a year.

The AC has specific written Terms of Reference setting out their duties and responsibilities. The AC’s main principal functions are as follows:

- assist the Board to fulfil its responsibilities for overseeing the Group’s financial reporting, operation of acceptable risk management processes and advise on internal control issues;
- serve as an independent and objective party to review financial information prepared by management prior to its release to shareholders and the general public;
- maintain channels of communication with the Board and direct communication channels with the external auditors, internal auditors and financial management, to discuss and review specific issues as appropriate;
- review the audit plan and reports of the Company’s internal and external auditors, and evaluate their reports on any recommendations on internal accounting controls arising from the audit;
- review the assistance given by the Company’s Management to the internal and external auditors;
- review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group’s financial performance;
- review at least annually the adequacy and effectiveness of the Group’s internal control systems, including financial, operational, compliance, information technology controls and risk management systems;
- ensure that the scope of the internal and external auditors’ examination has not been unreasonably restricted by the Management;
- meet with other committees, and/or the Management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- meet with the external auditor, and with the internal auditor, without the presence of the Company’s Management, at any time and preferably at least once a year;

# CORPORATE GOVERNANCE REPORT

- review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- review the scope and results of the external audit, cost effectiveness and the independence and objectivity of the external auditors;
- review the nature and extent of non-audit services provided by the external auditors;
- recommend to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;
- report to the Board the outcome of its reviews with the external auditors into any suspected fraud or irregularity or infringement of any Singapore law, rule and regulations of which the AC is aware of, which has, or is likely to have a material impact of the listed issuer's operating results or financial position;
- report actions and minutes of the AC to the Board with such recommendations as the AC considers appropriate;
- review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and properly followed up on. The Company publicly discloses, and clearly communicate to employees, the existence of a whistle-blowing policy and procedures for raising such concerns;
- review the assurance from the Executive Directors and CFO on the financial records and financial statements;
- review compliance with accounting standards, Companies Act 1967 of Singapore (the "**Act**") and SGX-ST Listing Rules requirements;
- review interested person transactions, if any, in accordance with the requirements of the SGX-ST's Listing Rules; and
- undertake generally such other functions and duties as may be required by law or the SGX-ST Listing Rules.

The AC has the power to conduct or authorise investigations into any matters within the AC's scope of responsibility. The AC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company.

The AC has full access to and co-operation of the Management, officers, Company Secretary, Directors and relevant external regulator and/or professional parties and has full discretion to invite any Director or officer to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

The AC also reviews any arrangement by which staff of the Group, or any other officers, may, in confidence, raise concerns about possible and/or suspected fraud, irregularities, corruption, dishonest practices and/or improprieties in matters of financial reporting or other similar matters. The AC's objective is to ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow up action and improvements, if necessary and required.

PKF-CAP LLP is the external auditors of the Company. The Company's subsidiaries in Singapore are audited by PKF-CAP LLP whereas the overseas subsidiaries are audited by the member firms of PKF-CAP LLP.

# CORPORATE GOVERNANCE REPORT

The AC having regard the adequacy of the resources and experience of PKF-CAP LLP and the audit engagement partner assigned to the audit, the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit, is of the opinion that PKF-CAP LLP meets the auditing obligations of the Company and its significant subsidiaries. The Group has complied with Rules 712 and 715 of the Listing Rules in relation to the appointment of external auditors.

The AC assesses the independence of the external auditor annually. The aggregate amount of fees paid/payable to the external auditor of the Company for the financial year ended 31 December 2024 is S\$97,200 for audit fees rendered by the external auditor to the Company and the Group during FY2024.

Having reviewed, amongst others, the scope and quality of the audit and the independence of the external auditor, the AC had recommended and the Board approved the nomination for re-appointment of PKF-CAP LLP as the external auditor of the Company at the forthcoming AGM, and to authorise the Directors to fix their remuneration.

The AC meets with the internal and external auditors at least once annually to discuss audit findings and recommendations, without the presence of the Management. For FY2024, the AC had met with the internal and external auditors once without the presence of the Management.

Throughout FY2024, the Board has assessed and reviewed, together with the assistance of the NC, to ensure that the members of the AC are appropriately qualified to discharge their responsibilities. The Board is opined that adequate and reasonable assistance and support has been properly rendered by the Directors, Management and officers to the AC and that the AC has effectively and efficiently contributed to the Board and the Group. During the FY2024, the AC held three (3) meetings to review and undertake the scope of work as set out above. The external auditor provides regular updates and briefings to the AC on changes or amendments to accounting standards to enable the members of the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any.

## Whistle Blowing

The Company has in place a whistle-blowing policy, which provides an avenue for the staff of the Company to access the AC members and Chairman to raise concerns about improprieties. Contact details of these persons have been made available to all staff, and staff are encouraged to either email as part of the procedure to raise concerns, if any.

The Group undertakes to investigate complaints of suspected fraud and unethical behaviour in an objective manner. With the AC's endorsement, proper written procedures, policies and guideline are in place for making such reports in good faith, with confidence and will be treated fairly and be protected from reprimand.

The objective for such arrangements is to ensure independent investigation of matters raised and to allow appropriate actions to be taken. All such investigations are undertaken directly by the AC. As at the date of this report and to the best of their knowledge and belief, nothing has come to the attention of the AC that may require any follow up and/or action plan.

## Internal Audit

The Company has engaged Baker Tilly Consultancy (Singapore) Pte. Ltd. ("**Baker Tilly**") as its independent internal auditor, reporting functionally to the AC and administratively to the CFO. The AC is responsible for approving the appointment, assessing the performance, and determining the remuneration of the internal auditor, ensuring its independence and effectiveness.

The AC reviews and approves the internal audit plan to ensure that it is comprehensive and aligned with the Group's risk profile. In FY2024, Baker Tilly conducted an independent review of key internal controls in selected areas as determined by the AC and provided its findings, along with recommendations for enhancements, to the AC for review and approval. These recommendations aim to strengthen the Group's internal control environment and governance framework.

# CORPORATE GOVERNANCE REPORT

The AC is satisfied that the internal audit function is independent, effective, and adequately resourced. The AC also notes that Baker Tilly's internal audit team comprises experienced professionals with relevant qualifications, including Chartered Accountants and Certified Internal Auditors, ensuring that the internal audit function is conducted with a high level of technical expertise and professionalism. Furthermore, the AC confirms that Baker Tilly meets the professional standards prescribed by internationally recognised bodies, including the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors.

Based on the internal audit reviews, the AC is of the view that the Group's internal controls, including financial, operational, compliance, and information technology controls, are adequate and effective in addressing key risks. The AC also acknowledges Management's commitment to continuously improve the internal control framework through the timely implementation of remediation measures where necessary. While no material control deficiencies were identified, the AC remains vigilant in overseeing the effectiveness of the internal control system to safeguard shareholders' interests and the Group's assets.

## (D) SHAREHOLDER RIGHTS AND ENGAGEMENT

### ***Principle 11: Shareholder Rights and Conduct of General Meetings***

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

The Company facilitates the exercise of ownership rights by all shareholders. In particular, the shareholders of the Company are sufficiently informed of changes in the Group's business and development that are price sensitive and would be likely to materially affect the price or value of the Company's shares and that information are communicated to the shareholders on a timely basis via the SGXNet.

Shareholders are given the opportunity to opine their views and seek clarification on questions regarding the Group at the AGM. All Directors, in particular the Chairman of the Board, the respective Chairman of the AC, NC, RC and ESGC, will be present and available to address shareholders' queries at the general meetings. The external auditor will also be present to address queries regarding the conduct of the audit and the preparation and content of the auditor's report.

Shareholders have the opportunity to participate effectively and to vote in AGMs. They are allowed to vote in person at a physical meeting, or by electronic means for a virtual meeting, or by their duly appointed proxy(ies). The Constitution of the Company allow shareholders of the Company to appoint not more than two (2) proxies to attend, speak and vote on their behalf at the AGMs. The Company does not implement voting in absentia by email, mail or fax due to authentication and other security related concerns.

During the general meetings, the resolutions on separate issues are disclosed separately and not bundled together unless the resolutions are interdependent and linked so as to form one significant proposal and clear explanation and reasons are to be provided together with its material implications.

Shareholders would be informed of the rules governing such meetings and voting procedures of the general meetings. An independent polling agent is appointed by the Company for general meetings who will explain the voting procedures that govern the general meetings of shareholders. An announcement which includes the results of voting showing the number of votes cast for and against for each resolution and the respective percentage will be released via SGXNet after the general meetings.



# CORPORATE GOVERNANCE REPORT

The proceedings of all general meetings including substantial and relevant comments/queries from shareholders and responses exchanged between the Company and shareholders are recorded in the minutes book of the Company, and will be published on the SGXNet as well as the Company's website. Minutes of the AGM for financial year ended 31 December 2023 ("FY2023") had been published by the Company on its corporate website at URL <https://www.southernarchipelago.com/announcements/> and on the SGXNet at URL <https://www.sgx.com/securities/company-announcements> within one month from the date of the AGM for FY2023.

The Company does not have a fixed dividend policy. The form, frequency and amount of future dividends declarations by the Company will depend on the Group's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may, in their absolute discretion, deem appropriate. The Board is not recommending any dividend for FY2024, as the Board deemed more appropriate to retain the cash for the Group's working capital purposes, after taken into account various factors including:

- the level of the available cash;
- the projected levels of capital expenditure and other investment plans; and
- the accumulated losses of the Company for the past years.

## **Principle 12: Engagement with Shareholders**

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

The Board is mindful of the obligation to provide regular, effective and fair communication with shareholders. In line with the continuous obligations of the Company pursuant to the Listing Rules, the Board's policy is that all shareholders should be equally informed of all major developments and the Company will make disclosure publicly to all shareholders as soon as practicable.

The Board provides shareholders with an assessment of the Company's performance, position and prospects via half-year and full year results announcements for each financial year, and other ad-hoc announcements as required by the SGX-ST. The Company does not practise selective disclosure. Price sensitive information is first publicly released through the SGXNet. In addition, the Company has taken steps to solicit and understand the views of the shareholders through the Company website.

Results and annual reports are announced and/or issued within the mandatory period. All the shareholders of the Company receive the annual report and the notice of the general meetings which are available in the SGXNet and the Company's website.

The FY2024 Annual Report, notice of AGM and proxy form ("**AGM documents**") will be made available to shareholders through electronic means via publication on the Company's website at the URL <https://www.southernarchipelago.com/announcements/> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Printed copies of the Notice of AGM, Proxy Form and Request Form will be despatched to the shareholders. If the shareholders wish to receive printed copies of the Annual Report, shareholders may complete the said Request Form and follow the instructions stated therein.

The shareholders can access the financial information, corporation announcements, press releases, annual reports and profile of the Group on the Company's corporate website.

Though the Company does not currently have an investor relations policy, it believes in regular, effective and fair communication with members of the investing community. As such, shareholders may contact the Company with their questions via emails at [info@southernarchipelago.com](mailto:info@southernarchipelago.com) and phone calls at +65 6332 9488, and the Company will respond to such questions in a timely manner.

# CORPORATE GOVERNANCE REPORT

## (E) MANAGING STAKEHOLDER RELATIONSHIPS

### **Principle 13: Engagement with Stakeholders**

***The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.***

The Board considers the Company's obligations to its shareholders and also the interests of its material stakeholders, as the relationships with material stakeholders may have an impact on the Company's long-term sustainability. Stakeholders are parties who may be affected by the Company's activities or whose actions can affect the ability of the Company to conduct its activities. The Board has identified its stakeholders as customers, employees, suppliers, landlords, investors, media, government institutions and the communities. In addition, the Group also issue sustainability report to keep stakeholders informed on the commitment made by the Company in fostering the creation of sustainable environment/community for the stakeholders.

### **OTHER GOVERNANCE PRACTICES**

#### **Material Contracts**

There is no material contract of the Company and its subsidiaries, including loans, involving the interests of any Director or the controlling shareholders either still subsisting at the end of FY2024 or if not then subsisting, entered into since the end of the previous financial year, save as for those as announced via SGXNet and as outlined in the Annual Report under headings "Borrowings" in the "Financial Statements" section of this Annual Report.

#### **Interested Person Transactions**

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and these interested persons transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders.

The Board and the AC will review all interested person transactions to be entered into to ensure that the relevant rules under Chapter 9 of the Listing Manual are complied with.

Except those as announced via SGXNet and as outlined in the Annual Report under headings "Trade and Other Payables" and "Related Party Transactions", there is no other interested person transaction for FY2024.

<b>Name of Interested Person</b>	<b>Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</b>	<b>Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)</b>
	The aggregate value of all interested person transactions during the financial year is less than S\$100,000.	



# CORPORATE GOVERNANCE REPORT

## Dealing in Securities

In line with SAL's Best Practices Guide in Dealing in Securities (the "**Best Practices Guide**") adopted and reviewed from time to time, the Company has in place a code of conduct on share dealings by the Company and the Officers. This code sets out the statutory restrictions on insider trading as well as the recommendations of the Best Practices Guide on securities transactions. It has been made known that the Company and the Officers, including the Directors, staff, any relevant body corporate and officers of the Company and the Group, should not deal during the period commencing one (1) month before the announcement of the Company's half-yearly results and one (1) month before financial year, as the case may be, and ending on the date of the announcement of the relevant results.

The officers have been informed that to deal in the Company's securities, as well as securities of other listed companies, when they are in possession of information that is not generally available but, if it were, would be likely materially to affect the price of those securities in relation to those securities and relates to any transaction (actual or expected) involving both those bodies corporate or involving one of them and securities of the other are prohibited and is a subject to the law. The Company, while having provided the window periods for dealing in the Company's securities, has its own internal compliance code in providing guidance to its officers with regards to dealing in the Company's securities including reminders that the law on insider trading is applicable at all times. In addition, an officer should also not deal in the Company's securities on short-term considerations.

In the opinion of the AC, to the best of their knowledge and belief, the Company complies with its Best Practices Guide.

## ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7.4.1 TO THE LISTING MANUAL OF THE SGX-ST

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST ("**Listing Rules**"), the information as set out in Appendix 7.4.1 of the Listing Rules relating to Mr. John Lee Yow Meng and Mr. Siaw Lu Howe, being the Directors who are retiring in accordance with the Company's Constitution at the forthcoming AGM, are set out below:

	Mr. Siaw Lu Howe	Mr. John Lee Yow Meng
Date of Appointment	5 September 2017 – as Interim Chief Executive Officer  6 December 2017 – re-designated to Chief Executive Officer and Executive Chairman  17 April 2019 – redesignated to Non-Executive Chairman  25 April 2024 – redesignated to Independent Director and Non-Executive Chairman	25 April 2019
Date of last re-appointment	27 April 2022	27 April 2022
Age	56	63
Country of principal residence	Malaysia	Singapore

# CORPORATE GOVERNANCE REPORT

	Mr. Siaw Lu Howe	Mr. John Lee Yow Meng
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The re-election of Mr. Siaw Lu Howe as a Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr. Siaw Lu Howe's qualifications, skills, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr. John Lee Yow Meng as a Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr. John Lee Yow Meng's qualifications, skills, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member, etc)	Independent Director and Non-Executive Chairman, Chairman of Nominating Committee and member of Audit, Remuneration and Environmental, Social and Governance Committees	Executive Director and Chief Financial Officer
Professional qualifications	Nil	Association of Certified Accountants, Malaysia
Working experience and occupation(s) during the past 10 years	<p>Period: April 2024 to Current Independent Director and Non-Executive Chairman, Southern Archipelago Ltd.</p> <p>Period: April 2019 to April 2024 Non- Executive Chairman, Southern Archipelago Ltd.</p> <p>Period: December 2017 to April 2019 Executive Chairman and Chief Executive Officer, Southern Archipelago Ltd.</p> <p>Period: September 2017 to December 2017 Interim Chief Executive Officer, Southern Archipelago Ltd.</p> <p>Period: July 2017 to present Group Managing Director, Sri Datai Mining Sdn Bhd</p> <p>Period: March 2017 to present Group Managing Director, Sri Datai Group of Companies</p> <p>Period: March 2009 to Present Director, Modal Sempurna Sdn Bhd</p> <p>Period: September 1995 to present Director, Sri Datai Construction (Sarawak) Sdn Bhd</p>	<p>Period: 25 April 2019 to current Executive Director and Chief Financial Officer, Southern Archipelago Ltd.</p> <p>Period: June 2017 to April 2019 Head of Malaysian Operations - Southern Archipelago Ltd.</p> <p>Period: March 2015 to June 2017 Chief Financial Officer, Malaysia Operations - Southern Archipelago Ltd.</p> <p>Period: May 2004 to Present Founder and Managing Director - Bizsolve Services Sdn Bhd</p>

# CORPORATE GOVERNANCE REPORT

	Mr. Siaw Lu Howe	Mr. John Lee Yow Meng
Shareholding interest in the listed issuer and its subsidiaries	Nil	15,000,000 ordinary shares in the Company
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of Interests (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
<b>Other Principal Commitments* Including Directorships#</b> * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)		
Past (for the last 5 years)	1. Golden Regime Sdn Bhd 2. Adroit Innovations Investment Pte Ltd 3. Asphere Holdings Pte.Ltd. 4. Tria Holdings Pte. Ltd. 5. Gemisuria Corporation Sdn Bhd 6. Solid Base Limited	None
Present	1. Sri Datai Holdings (Sarawak) Sdn Bhd 2. Sri Datai Construction (Sarawak) Sdn Bhd 3. Sri Datai Properties (Sarawak) Sdn Bhd 4. Sri Datai Trading (Sarawak) Sdn Bhd 5. Sri Datai Mining Sdn Bhd 6. Modal Sempurna Sdn Bhd 7. Sri Jaya M&E Sdn Bhd 8. Bukit Kerepok Quarry Sdn Bhd 9. Sri Datai Shipping (Sarawak) Sdn Bhd 10. Lagenda Property Management Sdn Bhd 11. SDDN Capital Sdn Bhd 12. Merdeka Waterfront Hotel Sdn Bhd 13. Star Development Sdn Bhd 14. STC Borneo Sdn Bhd 15. Sri Datai Quarry Sdn Bhd 16. Kota Dedikasi Sdn Bhd 17. Maglead Power Sdn Bhd	1. Bizsolve Services Sdn. Bhd. 2. Adroit Innovations Investment Pte Ltd 3. Asphere Holdings Pte.Ltd. 4. Tria Holdings Pte. Ltd. 5. SAL Resorts & Development Pte. Ltd. 6. Eufhoria Pte. Ltd. 7. Gemisuria Corporation Sdn Bhd 8. Solid Base Limited

# CORPORATE GOVERNANCE REPORT

	Mr. Siaw Lu Howe	Mr. John Lee Yow Meng
	18. Dynamic Mining Management Services Sdn Bhd 19. Mukah Mining Services Sdn Bhd 20. Roofing World Sdn Bhd 21. Newcity Heritage Development Sdn Bhd 22. Datai Bay Development Sdn Bhd 23. Datai Bay Attractions Sdn Bhd 24. Borneo Archipelago Tourism Sdn Bhd 25. Ultimate Horizon Limited 26. Sri Datai (Singapore) Pte Ltd 27. Sri Datai JT Chm Sdn Bhd 28. Sri Datai Chm JV Sdn Bhd	
<b>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "Yes", full details must be given.</b>		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No

# CORPORATE GOVERNANCE REPORT

	Mr. Siaw Lu Howe	Mr. John Lee Yow Meng
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No

# CORPORATE GOVERNANCE REPORT

	Mr. Siaw Lu Howe	Mr. John Lee Yow Meng
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-		
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No



# CORPORATE GOVERNANCE REPORT

	Mr. Siaw Lu Howe	Mr. John Lee Yow Meng
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
<b>Disclosure applicable to the appointment of Director only</b>		
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Yes. Mr Siaw Lu Howe is currently the Independent Director and Non-Executive Chairman of the Company.	Yes. Mr John Lee Yow Meng is currently the Executive Director and Chief Financial Officer of the Company.

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

## OPINION OF THE DIRECTORS

In the opinion of the directors:

- (i) the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements, and
- (ii) 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.

## DIRECTORS

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

Siaw Lu Howe	Independent Director and Non-Executive Chairman
John Lee Yow Meng	Executive Director and Chief Financial Officer
Alan Chin Yu	Executive Director
Ng Keok Chai	Lead Independent Director
Tan Gim Kang, Arran	Non-independent Non-Executive Director
Aris Muhammad Rizal	Non-independent Non-Executive Director

## ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Other than disclosed under "Share Options" in this statement, 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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in the name of director			Holdings in which a director is deemed to have an interest		
	At 1.1.2024	At 31.12.2024	At 21.1.2025	At 1.1.2024	At 31.12.2024	At 21.1.2025
<b>The Company</b>						
<u>Number of ordinary shares</u>						
John Lee Yow Meng	15,000,000	15,000,000	15,000,000	-	-	-
Alan Chin Yu	10,000,000	10,000,000	10,000,000	-	-	-
Tan Gim Kang, Arran	15,000,000	15,000,000	15,000,000	-	-	-
Aris Muhammad Rizal	10,000,000	10,000,000	10,000,000	-	-	-

According to the register of directors' shareholdings, the directors holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted pursuant to the Company's share option scheme, as set out below and under "Share Options" below.

	Number of unissued ordinary shares under option		
	At 1.1.2024	At 31.12.2024	At 21.1.2025
<b>The Company</b>			
Siaw Lu Howe	100,000,000	100,000,000	100,000,000
John Lee Yow Meng	147,000,000	147,000,000	147,000,000
Alan Chin Yu	147,000,000	147,000,000	147,000,000
Ng Keok Chai	60,000,000	60,000,000	60,000,000
Tan Gim Kang, Arran	65,000,000	65,000,000	65,000,000
Aris Muhammad Rizal	40,000,000	40,000,000	40,000,000

## SHARE OPTIONS

### Blumont Employee Share Option Scheme 2013 (the "Blumont ESOS 2013")

The Blumont ESOS 2013 has fully vested on 22 April 2023.

The number of unissued ordinary shares of the Company under outstanding at the end of the financial year were as follows:

Date of options granted	No. of unissued ordinary shares under option as at 31.12.2023	Exercise price	Exercise period
17 June 2021	447,500,000	S\$0.0040	17/06/2022 to 16/06/2031
17 June 2021	447,500,000	S\$0.0032	17/06/2023 to 16/06/2031
17 June 2021	132,500,000	S\$0.0040	17/06/2022 to 16/06/2026
17 June 2021	132,500,000	S\$0.0032	17/06/2023 to 16/06/2026

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## SHARE OPTIONS (Cont'd)

### Southern Archipelago Employee Share Option Scheme 2023 (the "SAL ESOS 2023")

At the Extraordinary General Meeting held on 10 August 2023, the members of the Company approved the SAL ESOS 2023, for granting of non-transferable options to employees (including executive directors) and non-executive directors of the Company.

The SAL ESOS 2023 is administered by the Compensation Committee which is overseen by the Remuneration Committee whose members are Ng Keok Chai (Chairman), Siaw Lu Howe and Aris Muhammad Rizal.

The SAL ESOS 2023 shall continue to be in force at the discretion of the Compensation Committee for a period of ten years from 10 August 2023. However, the period may be extended or terminated with the approval of shareholders at a general meeting of the Company and any relevant approvals which may then be required.

Under the SAL ESOS 2023, Market Price Options may be exercised from the 1<sup>st</sup> anniversary of the date of grant to the 5<sup>th</sup> anniversary of the date of grant for non-executive directors and the 10<sup>th</sup> anniversary of the date of grant for group employees such as executive directors and staffs. Discounted Price Options may be exercised from the 2<sup>nd</sup> anniversary of the date of grant to the 5<sup>th</sup> anniversary of the date of grant for non-executive directors and the 10<sup>th</sup> anniversary of the date of grant for group employees such as executive directors and staffs.

The subscription price for each ordinary share in respect of which an option is exercisable shall be determined by the Compensation Committee as follows:

- (i) fixed at the market price equal to the average of the last dealt prices for the share on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the three (3) consecutive trading days immediately preceding the date of grant of that option; or
- (ii) set at a discount to a market price, provided that the maximum discount shall not exceed twenty per cent (20%) of the market price.

No share options under the SAL ESOS 2023 have been granted during and as at the financial years ended 31 December 2024 and 2023.

Except as disclosed above,

- there were no share options granted by the Company or its subsidiaries during the financial year;
- there were no shares issued by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries during the financial year; and
- there were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## SHARE OPTIONS (Cont'd)

### Southern Archipelago Performance Share Plan ("SAL PSP")

At the Extraordinary General Meeting held on 10 August 2023, the members of the Company approved the SAL PSP, for granting of incentive share awards to employees (including executive directors) and non-executive directors of the Company.

The SAL PSP is administered by the Compensation Committee which is overseen by the Remuneration Committee whose members are Ng Keok Chai (Chairman), Siaw Lu Howe and Aris Muhammad Rizal.

The SAL PSP shall continue to be in force at the discretion of the Compensation Committee for a period of ten years from 10 August 2023. However, the period may be extended or terminated with the approval of shareholders at a general meeting of the Company and any relevant approvals which may then be required.

A participants' award under the SAL PSP will be determined at the sole discretion of the Compensation Committee. In considering an award to be granted to a participant, the Compensation Committee may take into account, *inter alia*, the participant's performance and/or contribution to the Company.

Awards granted under the SAL PSP will typically vest only after the satisfactory completion of performance-related award conditions and/or other conditions such as vesting period(s) applicable for the release of the award. No minimum vesting periods are prescribed under the SAL PSP, and the length of the vesting period(s) in respect of each award will be determined on a case-by-case basis.

No incentive share awards under the SAL PSP have been granted during and as at the financial years ended 31 December 2024 and 2023.

## AUDIT COMMITTEE

The members of the Audit Committee ("AC") at the date of this statement are as follows:

Ng Keok Chai (Chairman)  
Tan Gim Kang, Arran  
Siaw Lu Howe

The AC has performed its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967, including the following:

- (i) reviewed the audit plan of the Company's independent auditors and, if any, their report on any recommendations on internal accounting controls arising from the statutory audit;
- (ii) reviewed the assistance given by the Company's management to the independent auditors;
- (iii) reviewed financial information prepared by management for internal reporting to the board and/or prior to its release to shareholders and the general public;
- (iv) reviewed the annual statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2024 before their submission to the Board of Directors, as well as the independent auditor's report on the statement of financial position of the Company and the consolidated financial statements of the Group;
- (v) reviewed the effectiveness of the Group's material internal control systems, including financial, operational, compliance and information technology controls and risk management;

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## AUDIT COMMITTEE (Cont'd)

- (vi) met with the independent auditors, other committees, and/or the management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- (vii) reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- (viii) reviewed the scope and results of the external audit, cost effectiveness and independence and objectivity of the independent auditors;
- (ix) reviewed the nature and extent of non-audit services provided by the independent auditors;
- (x) recommended to the Board of Directors the independent auditors to be nominated, approved the compensation and terms of engagement of the auditors;
- (xi) reported actions and minutes of the AC to the Board of Directors with such recommendations as the AC considered appropriate; and
- (xii) reviewed interested person transactions, if any, in accordance with the requirements of the SGX-ST's Listing Manual.

The AC, having reviewed all non-audit services provided by the independent auditors to the Group is satisfied that the nature and extent of such services would not affect the independence and objectivity of the independent auditors. The AC has also conducted a review of interested person transactions.

The AC convened three meetings during the year. The AC has also met with the independent auditors, without the presence of the Company's management, at least once a year. The attendance of the meetings are disclosed in the Corporate Governance Report in the Company's Annual Report.

It is the opinion of the Board of Directors with the concurrence of the AC that the system of internal controls, which addresses the Group's financial, operational, compliance and information technology risks, maintained by the Group is in place and adequate throughout the financial year and up to the date of this report.

The Company confirms that Rules 712 and 715 of the SGX-ST's Listing Manual have been complied with.

Further details regarding the AC are disclosed in the Corporate Governance Report in the Company's Annual Report.

## AUDITOR

The auditor, PKF-CAP LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors,

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John Lee Yow Meng  
Executive Director and Chief Financial Officer

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Alan Chin Yu  
Executive Director

Singapore  
4 April 2025



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOUTHERN ARCHIPELAGO LTD. AND ITS SUBSIDIARIES

## Report on the Audit of the Financial Statements

### *Opinion*

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

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

### *Basis for Opinion*

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

### *Key Audit Matters*

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

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOUTHERN ARCHIPELAGO LTD. AND ITS SUBSIDIARIES

## Report on the Audit of the Financial Statements (Cont'd)

### Key Audit Matters (Cont'd)

Key Audit Matters	How our audit addressed the key audit matter
<b>Revenue recognition</b> (Refer to Note 3(d) and Note 5)	
<p>The Group generated revenue of S\$4,816,725 for the financial year ended 31 December 2024 (FY2023: S\$5,196,354).</p> <p>We focused on this area as a key audit matter as there is a presumed fraud risk with regards to revenue recognition and revenue is one of the key performance indicators of the Group. The potential existence of management override controls also increases the risk of material misstatement in the amount of revenue reported.</p>	<p>Our key audit procedures performed includes but not limited to:</p> <ul style="list-style-type: none"><li>• Obtained samples of contracts with customers and reviewed the terms and conditions, along with discussion with management, to assess the Group's revenue recognition policy in accordance to SFRS (I) 15, in particular the identification of performance obligations, the timing of revenue recognition (i.e., at a point in time or over time);</li><li>• Discussed with management on the processes involved in the sale cycle and performed walkthrough test to consolidate our understanding;</li><li>• Performed test of controls over the sale cycle to ascertain the effectiveness of key controls;</li><li>• Performed test of details including sales cut-off tests to ascertain that the sales have been accurately taken up in the correct financial year;</li><li>• Performed analytical review by comparing the current financial year performance to prior financial year; and</li><li>• Reviewed the adequacy of disclosures in the notes to the financial statements.</li></ul>

### 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.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOUTHERN ARCHIPELAGO LTD. AND ITS SUBSIDIARIES

## Report on the Audit of the Financial Statements (Cont'd)

### *Responsibilities of Management and Directors for the Financial Statements*

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

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

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

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

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOUTHERN ARCHIPELAGO LTD. AND ITS SUBSIDIARIES

## Report on the Audit of the Financial Statements (Cont'd)

### *Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)*

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business 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, actions taken to eliminate threats or safeguards applied.

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.

## 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 subsidiaries 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 Titus Kuan Tjian.

### **PKF-CAP LLP**

Public Accountants and  
Chartered Accountants

Singapore

4 April 2025

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group	
		2024 S\$	2023 S\$
<b>Revenue</b>	5	4,816,725	5,196,354
Other gains - net	6	272,015	463,377
Interest income		12,120	52,105
<b>Expenses</b>			
- Raw materials and consumables used		(76,468)	(70,790)
- Employee benefits	7	(2,263,016)	(2,847,100)
- Depreciation of property and equipment	17	(731,742)	(696,503)
- Amortisation of intangible assets	18	(6,674)	-
- Other expenses	8	(1,516,840)	(1,264,203)
- Finance costs	9	(270,591)	(245,982)
<b>Total expenses</b>		<b>(4,865,331)</b>	<b>(5,124,578)</b>
<b>Profit before tax</b>		<b>235,529</b>	<b>587,258</b>
Income tax expense	10	(388,252)	(542,825)
<b>(Loss)/Profit for the year</b>		<b>(152,723)</b>	<b>44,433</b>
<b>Other comprehensive loss</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Actuarial loss on defined benefit plan	21	(12,915)	(30,611)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation			
- Loss on translating foreign operations		(183,231)	(380,691)
<b>Other comprehensive loss, net of tax</b>		<b>(196,146)</b>	<b>(411,302)</b>
<b>Total comprehensive loss</b>		<b>(348,869)</b>	<b>(366,869)</b>
<b>(Loss)/Profit per share (S\$ cents)</b>			
- Basic	11	(0.0006)	0.0002
- Diluted	11	(0.0006)	0.0002

The accompanying notes form an integral part of these financial statements



# STATEMENTS OF FINANCIAL POSITION

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024	2023	2024	2023
		S\$	S\$	S\$	S\$
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances	12	414,142	3,079,505	117,819	374,352
Trade and other receivables	13	601,581	436,951	21,026	20,382
Other assets	14	93,593	151,940	31,452	33,008
Investment securities	14	-	-	-	-
Income tax receivable		183,738	-	-	-
		1,293,054	3,668,396	170,297	427,742
<b>Non-current assets</b>					
Investments in subsidiaries	15	-	-	79,917	90,917
Investment in associate	16	-	-	-	-
Loans to subsidiaries	15	-	-	6,212,237	6,227,090
Property and equipment	17	9,197,014	4,945,729	125,111	197,012
Intangible assets	18	64,519	-	-	-
Deferred tax assets	22	288,170	272,482	-	-
		9,549,703	5,218,211	6,417,265	6,515,019
<b>Total Assets</b>		10,842,757	8,886,607	6,587,562	6,942,761
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	19	540,381	522,173	3,845,414	3,311,082
Borrowings	20	4,352,245	3,372,316	3,722,185	3,182,185
Loan from a subsidiary	15	-	-	5,590,000	5,590,000
Lease liabilities	28	87,918	80,200	87,918	80,200
Income tax payable		-	174,713	-	-
		4,980,544	4,149,402	13,245,517	12,163,467
<b>Non-current liabilities</b>					
Lease liabilities	28	32,887	108,580	32,887	108,580
Defined benefit plan	21	1,015,149	975,122	-	-
Borrowings	20	2,371,997	862,454	-	-
		3,420,033	1,946,156	32,887	108,580
<b>Total Liabilities</b>		8,400,577	6,095,558	13,278,404	12,272,047
<b>Net Assets/(Liabilities)</b>		2,442,180	2,791,049	(6,690,842)	(5,329,286)
<b>EQUITY</b>					
<b>Equity attributable to equity holders of the Company</b>					
Share capital	23	127,338,850	127,338,850	127,338,850	127,338,850
Reserves	24	1,332,996	1,516,227	4,618,640	4,618,640
Accumulated losses		(126,229,666)	(126,064,028)	(138,648,332)	(137,286,776)
<b>Total Equity</b>		2,442,180	2,791,049	(6,690,842)	(5,329,286)

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

Group	Attributable to equity holders of the Company					Total equity S\$
	Share capital S\$	Share option reserve S\$	Currency translation reserve S\$	Other reserves S\$	Accumulated losses S\$	
<b>2024</b>						
<b>Balance at 1 January 2024</b>	127,338,850	4,618,640	(4,837,411)	1,734,998	(126,064,028)	2,791,049
Loss for the year	-	-	-	-	(152,723)	(152,723)
Other comprehensive loss, net of tax:						
Foreign currency translation loss	-	-	(183,231)	-	-	(183,231)
Actuarial loss on defined benefit plan (Note 21)	-	-	-	-	(12,915)	(12,915)
<b>Total comprehensive loss for the year</b>	-	-	(183,231)	-	(165,638)	(348,869)
<b>Balance at 31 December 2024</b>	127,338,850	4,618,640	(5,020,642)	1,734,998	(126,229,666)	2,442,180

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

Group	Attributable to equity holders of the Company					Total equity
	Share capital S\$	Share option reserve S\$	Currency translation reserve S\$	Other reserves S\$	Accumulated losses S\$	
<b>2023</b>						
<b>Balance at 1 January 2023</b>	127,338,850	4,089,043	(4,456,720)	1,734,998	(126,077,850)	2,628,321
Profit for the year	-	-	-	-	44,433	44,433
Other comprehensive loss, net of tax:						
Foreign currency translation loss	-	-	(380,691)	-	-	(380,691)
Actuarial loss on defined benefit plan (Note 21)	-	-	-	-	(30,611)	(30,611)
<b>Total comprehensive loss for the year</b>	-	-	(380,691)	-	13,822	(366,869)
Share based payment (Note 7)	-	529,597	-	-	-	529,597
<b>Balance at 31 December 2023</b>	127,338,850	4,618,640	(4,837,411)	1,734,998	(126,064,028)	2,791,049

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	Group	
		2024 S\$	2023 S\$
<b>Cash Flows from Operating Activities:</b>			
Profit before tax		235,529	587,258
Adjustments for:			
Unrealised foreign exchange gain		(142,164)	(301,845)
Write-off of property and equipment	6	-	1,390
Gain on lease termination	6	(530)	-
Depreciation of property and equipment	17	731,742	696,503
Amortisation of intangible assets	18	6,674	-
Write-off of other payables	6	-	(36,767)
Gain on disposal of property and equipment	6	-	(526)
Interest expense	9	270,591	245,982
Interest income		(12,120)	(52,105)
Share-based payment expense	7	-	529,597
<b>Operating cash flows before working capital changes</b>		<b>1,089,722</b>	<b>1,669,487</b>
Changes in working capital:			
Receivables		(112,884)	17,131
Payables		11,131	(104,754)
Cash flows generated from operations		987,969	1,581,864
Tax paid		(759,358)	(516,372)
<b>Net cash flows generated from operating activities</b>		<b>228,611</b>	<b>1,065,492</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of property and equipment		(5,028,730)	(1,334,199)
Acquisition of intangible assets	18	(65,597)	-
Proceeds from disposal of property and equipment		-	28,220
Interest received		12,120	52,105
<b>Net cash flows used in investing activities</b>		<b>(5,082,207)</b>	<b>(1,253,874)</b>
<b>Cash Flows from Financing Activities</b>			
Principal repayment of lease liabilities	20(d)	(80,041)	(74,260)
Repayment of borrowings	20(d)	(620,282)	(3,557,035)
Proceeds from borrowings	20(d)	3,119,571	351,213
Interest paid		(227,641)	(764,146)
<b>Net cash flows generated from/(used in) financing activities</b>		<b>2,191,607</b>	<b>(4,044,228)</b>
<b>Net decrease in cash and bank balances</b>		<b>(2,661,989)</b>	<b>(4,232,610)</b>
Cash and bank balances at beginning of the year		3,079,505	7,343,327
Effect of changes in foreign exchange rates on cash and bank balances		(3,374)	(31,212)
<b>Cash and cash balance at end of the year</b>	12	<b>414,142</b>	<b>3,079,505</b>

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. Corporate information

Southern Archipelago Ltd. (the "Company") is listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") and incorporated and domiciled in Singapore. The address of the Company's registered office and principal place of business is Apex @ Henderson, 201 Henderson Road, #05-19, Singapore 159545.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are disclosed in Note 15.

The ultimate controlling party of the Group is Mr. Mark Wee Liang Yee.

## 2. Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s")

### (a) Basis of Preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except as disclosed in the accounting policies below. The preparation of financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The financial statements are presented in Singapore dollars ("S\$"), which is the functional currency of the Company.

### (b) Application of new and revised SFRS(I)s and SFRS(I) INTs

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial period beginning on 1 January 2024. The adoption of these standards did not have any material effect on the financial statements of the Group.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2. Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") (Cont'd)

### (c) SFRS(I)s and SFRS(I) INTs issued but not yet effective

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning after 1 January 2024 and which the Group has not early adopted:

	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-21 Lack of Exchangeability	1 January 2025
Amendments to SFRS(I) 9 and SFRS(I) 7 Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
SFRS(I) 18 Presentation and Disclosure in Financial Statements	1 January 2027
SFRS(I) 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to SFRS(I) 10 and 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

## 3. Material accounting policy information

### (a) Going concern assumption

As at 31 December 2024, the Group and Company are in a net current liability position of S\$3,687,490 and S\$13,075,220 (2023: S\$481,006 and S\$11,735,725) respectively. The Company is in a net liability position of S\$6,690,842 (2023: S\$5,329,286). These conditions may cast significant doubt on the ability of the Group and Company to continue as going concerns and to realise their assets and discharge their liabilities in the ordinary course of business. Nevertheless, the directors of the Group and Company believe that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 31 December 2024 remains appropriate after taking into account the following factors:

- The Group expects the sterilisation business segment to continue generating positive operating cash flows in the next 12 months; and
- The Board and the management are currently exploring possible fundraising options to secure financing commitments to allow the Company to have access to additional working capital where required, including but not limited to bank loans, additional shareholders' loan, extension of shareholder's loan and loan from subsidiaries and fund raising from its shareholders.

Management has assessed the cash flow forecasts of the Group for the next 12 months and concluded that there will be sufficient cash flows and resources to allow the Group to continue its operations and meet its obligations for the foreseeable future. The Board has assessed the ability of the Group to meet its short-term obligations as and when it falls due and is also of the opinion that the Group will be able to raise the necessary funds for its working capital purposes when required.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 3. Material accounting policy information (Cont'd)

### (b) Group accounting

#### Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### Acquisition

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

#### Disposal

When a change in the Group's ownership interest in a subsidiary result in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by SFRS(I).

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries and associate" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 3. Material accounting policy information (Cont'd)

### (b) Group accounting (cont'd)

#### Associate

Associates are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

Investments in associates are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associates represents the excess of the cost of acquisition of the associates over the Group's share of the fair value of the identifiable net assets of the associates and is included in the carrying amount of the investments.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associates' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associates are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associate equal to or exceeds its interest in the associates, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associates. If the associates subsequently report profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associate includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associates are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Investments in associates are derecognised when the Group loses significant influence. If the retained equity interest in the former associates is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss. Please refer to the paragraph "Investments in subsidiaries and associates" for the accounting policy on investments in associates in the separate financial statements of the Company.

### (c) Investments in subsidiaries and associate

Investments in subsidiaries and associate are carried at cost less accumulated impairment losses in the statement of financial position of the Company.

On disposal of investments in subsidiaries and associate, the difference between the net disposal proceeds and the carrying amount of the investments are recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 3. Material accounting policy information (Cont'd)

### (d) Revenue recognition

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

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

#### (i) Rendering of services

Revenue is recognised when the sterilisation process of customer products is completed. The amount of revenue recognised is based on the pre-negotiated price, which comprises the contractual price, net of any pre-negotiated upfront volume discounts and adjusted for expected returns. The Group recognises the refunds due to expected returns from customers as refund liabilities. The corresponding amounts are adjusted against revenue in the period in which the returns occur. Payment of the transaction price is due within the credit terms given by the Group upon completion of sterilisation of customers' products.

#### (ii) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

### (e) Leases

#### When the Group is the lessee

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

#### Right-of-use assets

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

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Right-of-use assets (except for those which meet the definition of an investment property) are presented within "Property and equipment".

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 3. Material accounting policy information (Cont'd)

### (e) Leases (cont'd)

When the Group is the lessee (cont'd)

#### **Lease liabilities**

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

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

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

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

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

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

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

### (f) Foreign currencies

#### (i) Functional and presentation currency

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 3. Material accounting policy information (Cont'd)

### (f) Foreign currencies (cont'd)

#### (ii) Transactions and balances

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

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

Foreign exchange gains and losses are presented in the income statement within "other gains/losses".

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

#### (iii) Translation of Group entities' financial statements

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

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

### (g) Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 3. Material accounting policy information (Cont'd)

### (h) Employee benefits

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

#### (i) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

#### (ii) Defined benefit plan

Defined benefit plans are post-employment benefit pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

A subsidiary in the Group has an unfunded defined benefit plan covering substantially all of their eligible permanent employees in accordance with a subsidiary in the Group's Collective Labour Agreement and Labour Law No. 11/2020 and Governance Regulation No. 35/2021 of Indonesia. The liability recognised in the balance sheet in respect of a defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and have tenures approximating to that of the related post-employment benefit obligations.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period when they arise. The experience adjustments are not to be reclassified to profit or loss in a subsequent period. Past service costs are recognised immediately in profit or loss.

#### (iii) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on grant date. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date.

At each reporting date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 3. Material accounting policy information (Cont'd)

### (h) Employee benefits (cont'd)

#### (iii) Share-based compensation (cont'd)

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to the share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are re-issued to the employees.

### (i) Income tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 3. Material accounting policy information (Cont'd)

### (j) Property and equipment

#### (i) Measurement

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

#### Components of costs

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

#### (ii) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and construction-in-progress) less their residual values (if any) over their estimated useful lives, using the straight-line method.

Right-of-use assets are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The following useful lives are used in the calculation of depreciation:

	<u>Useful lives</u>
Building	20 years
Leasehold property	4 years
Renovations	3 years
Furniture and fittings	5 years
Office, computer and other equipment	3, 5 and 8 years
Cobalt isotope	10 years
Motor vehicles	8 years

The residual value, useful life and depreciation method are reviewed at each financial year and adjusted as appropriate at the reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

#### (iii) Subsequent expenditure

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

#### (iv) Disposal

On disposal of an item of property and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other gains/losses".

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 3. Material accounting policy information (Cont'd)

### (k) Intangible assets

#### Acquired computer software licences

Acquired computer software licences are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 5 years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

### (l) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

### (m) Financial assets

#### (i) Classification and measurement

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

- fair value through profit or loss (FVPL), and
- amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 3. Material accounting policy information (Cont'd)

### (m) Financial assets (cont'd)

#### (i) Classification and measurement (cont'd)

##### Initial recognition

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

##### Subsequent measurement

#### (a) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables. Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset.

##### Amortised cost

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

#### (b) Equity instruments

##### FVPL

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise except for those equity securities which are not held for trading. Dividends from equity investments are recognised in profit or loss as "dividend income".

#### (ii) Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 25 details how the Group determines whether there has been a significant increase in credit risk.

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 3. Material accounting policy information (Cont'd)

### (m) Financial assets (cont'd)

#### (ii) Impairment (cont'd)

##### Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

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

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

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

### (n) Financial liabilities

#### Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, net of directly attributable transaction costs.

#### Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 3. Material accounting policy information (Cont'd)

### (o) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### (p) Borrowings

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

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

### (q) Segment reporting

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

### (r) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, and deposits with financial institutions which are subject to an insignificant risk of change in value.

### (s) Share capital

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

### (t) Government grants

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 4. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

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

### (a) Critical judgments in applying accounting policies

#### (i) Impairment of investments in subsidiaries

Investments in subsidiaries (including loans to subsidiaries which are in substance part of the net investments in subsidiaries) are tested for impairment whenever there is any objective evidence or indication that these investments may be impaired. In determining whether there is objective evidence of impairment, the Company considers factors such as the subsidiaries' financial performance, financial position and the overall economic environment in which the subsidiaries operate.

The carrying amounts of the Company's net investments in subsidiaries as at 31 December 2024 and the movements in the relevant allowances for impairment loss during the financial year are disclosed in Note 15.

#### (ii) Impairment of investment in an associate

Investment in an associate is tested for impairment whenever there is any objective evidence or indication that the investment may be impaired. The recoverable amount of the investment in an associate is determined based on the higher of fair value less costs of disposal and value in use.

#### (iii) Loss allowance for trade receivables

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are estimated using a provision matrix which involves grouping receivables according to historical loss patterns (e.g. customer rating or by geographical location) and applying a historic provision rate which is based on days past due for groupings of various customer segments that have similar loss patterns. In devising such a provision matrix, the Group uses its historical credit loss experience with forward-looking information (adjusted as necessary to reflect current conditions and forecast economic conditions) to estimate the lifetime expected credit losses on the trade receivables. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 13.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 4. Critical Accounting Judgments and Key Sources of Estimation Uncertainty (Cont'd)

### (a) Critical judgments in applying accounting policies (cont'd)

#### (iv) Income taxes

The Group is subject to income taxes in numerous jurisdictions. In determining the income tax liabilities, management is required to estimate the amount of capital allowances, deductibility of certain expenses and taxability of certain income in each relevant tax jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

### (b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty as at the statement of reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

#### (i) Defined benefit plan

The present value of employee compensation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used include the discount rate, rate of future salary increase and rate of resignation. Any changes in these assumptions will impact the carrying amount of employee compensation.

In determining the appropriate discount rate, management considers the interest rates of high-quality corporate bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligations. These corporate bonds generally have an AA rating with low risk of default. The interest rate is used to determine the present value of estimated future cash outflows expected to be required to settle employee compensation. Management does not expect any variable changes in the assumptions used to determine the present value of employee compensation on an actuarial basis will result in the amount determined to be materially different.

A 1% increase or decrease in the discount rate used in calculating the employee compensation would have no significant impact on the amount recognised by the Group during the financial year. The carrying amount of the Group's defined benefit plan as at 31 December 2024 is disclosed in Note 21.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 5. Revenue

	Group	
	2024	2023
	S\$	S\$
Revenue from sterilisation services - Indonesia	4,816,725	5,196,354

The Group derives revenue from the transfer of services at a point in time, when the Group satisfies a performance obligation and the customers receive the services.

## 6. Other gains - net

	Group	
	2024	2023
	S\$	S\$
Currency exchange gain – net	209,190	387,345
Write-off of property and equipment	-	(1,390)
Write-off of other payables	-	36,767
Gain on disposal of property and equipment	-	526
Gain on lease termination	530	-
Government grant income	-	4,547
Miscellaneous income	62,295	35,582
	272,015	463,377

## 7. Employee benefits

	Group	
	2024	2023
	S\$	S\$
Short-term employee benefits	1,974,907	2,048,785
Contribution to defined contribution plans	41,713	38,897
Defined benefits plans (Note 21)	246,396	229,821
Share-based payment expense	-	529,597
	2,263,016	2,847,100

The share-based payment expense relates to the fair value recognised for employee services received during the year in return for share options granted.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 8. Other expenses

	Group	
	2024	2023
	S\$	S\$
Audit fees:		
- auditor of the Company	97,200	93,000
- other auditors	7,342	10,058
Legal, professional and consultancy fees	109,983	164,720
Loss allowance on trade receivables (Note 13)	-	4,670
Upkeep expenses	194,542	229,090
Directors' fees (Note 27)	103,500	103,500
Travelling expenses	73,714	102,639
Postage and telecommunication expenses	18,005	14,932
Printing and stationery expenses	15,793	10,013
Staff training and welfare expenses	71,453	76,284
Marketing and advertising	23,485	27,464
Provision for withholding tax expense	102,901	102,620
Sundry expenses	32,945	3,447
SGX expenses	35,000	35,000
Expenses incurred for disposal of cobalt waste	169,613	-
Others	461,364	286,766
	<b>1,516,840</b>	<b>1,264,203</b>

The Audit Committee has undertaken a review of non-audit services provided by the auditor and they would not, in the Audit Committee's opinion, affect their independence.

## 9. Finance costs

	Group	
	2024	2023
	S\$	S\$
Interest expense		
- loans from banks	219,483	207,423
- loans from shareholders	42,949	29,534
- lease liabilities (Note 28(c))	8,159	9,025
	<b>270,591</b>	<b>245,982</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 10. Income tax expense

	Group	
	2024	2023
	S\$	S\$
Income tax expense comprised:		
Current income tax	403,771	542,899
Deferred tax (Note 22)	(26,909)	(5,153)
	376,862	537,746
Under-provision in prior years:		
Current income tax	-	2,681
Deferred tax (Note 22)	11,390	2,398
	11,390	5,079
	388,252	542,825

The reconciliation of the income tax expense and the product of accounting profit multiplied by the Singapore statutory income tax rate is as follows:

	Group	
	2024	2023
	S\$	S\$
Profit before tax	235,529	587,258
Tax at the statutory tax rate of 17% (2023: 17%)	40,040	99,834
Effect of different tax rates in other countries	91,233	137,312
Tax effect of non-taxable income	(268,182)	(210,608)
Tax effect of non-deductible expenses	406,832	680,036
Utilisation of previously unrecognised tax losses	-	(168,828)
Deferred tax assets not recognised	106,939	-
Under-provision of income tax in prior years	11,390	5,079
	388,252	542,825

The income tax rate used for the reconciliation above is the corporate income tax rate of 17% payable by the Company and other Singapore companies of the Group on taxable profits under tax laws in that jurisdiction. The applicable corporate tax rates in Indonesia and Malaysia are 22% (2023: 22%) and 24% (2023: 24%) respectively.

## 11. (Loss)/Profit per share

### (a) Basic (loss)/profit per share

Basic (loss)/profit per share is calculated on the net loss attributable to equity holders of the Company of S\$152,723 (2023: net profit attributable to equity holder of the Company of S\$44,433) divided by the weighted average number of ordinary shares of 27,570,762,183 (2023: 27,570,762,183) outstanding during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 11. (Loss)/Profit per share (Cont'd)

### (b) Diluted (loss)/profit per share

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

## 12. Cash and bank balances

	Group		Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Cash at bank and on hand	414,142	3,079,505	117,819	374,352

## 13. Trade and other receivables

	Group		Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Trade receivables				
- third parties (a)	439,886	277,732	-	-
Less: Loss allowance	(428)	(4,922)	-	-
Trade receivables - net	439,458	272,810	-	-
Other receivables - third parties	162,123	164,141	21,026	20,382
Total trade and other receivables	601,581	436,951	21,026	20,382

- (a) Trade receivables from third parties are non-interest bearing and repayable within the normal trade credit terms of 30 to 60 days (2023: 30 to 60 days).

The movements in allowance for expected credit loss of trade receivables during the year are as follows:

	Group	
	2024	2023
	S\$	S\$
Trade receivables		
Balance as at the beginning of the year	4,922	428
Loss allowance recognised in profit or loss during the year (Note 8)	-	4,670
Write-off	(4,670)	-
Currency translation differences	176	(176)
Balance as at end of the year	428	4,922

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 14. Other assets

	Group		Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Deposits	25,863	25,884	23,750	23,750
Prepayments	67,730	126,056	7,702	9,258
Total other assets	93,593	151,940	31,452	33,008

### Investment securities

	Group		Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
At fair value through profit or loss				
- Equity securities (unquoted)	-	-	-	-

## 15. Investments in subsidiaries/Loans to subsidiaries/Loan from a subsidiary

	Company	
	2024	2023
	S\$	S\$
Investments in subsidiaries (a)	195,367	195,367
Less: Allowance for impairment loss	(115,450)	(104,450)
	79,917	90,917
Loans to subsidiaries (b)	7,191,228	7,168,188
Less: Allowance for impairment loss	(978,991)	(941,098)
	6,212,237	6,227,090
Loan from a subsidiary (c)	(5,590,000)	(5,590,000)

### (a) Investments in subsidiaries

Movements in investments in subsidiaries and allowance for impairment loss during the financial year are as follows:

	Company	
	2024	2023
	S\$	S\$
<i>Unquoted equity shares, at cost</i>		
Balance at the beginning of the year	195,367	185,209
Additions (i)	-	1,000
Equity contribution from share-based transaction	-	9,158
Balance at the end of the year	195,367	195,367
<i>Allowance for impairment loss</i>		
Balance at the beginning of the year	104,450	104,450
Impairment recognised during the year (ii)	11,000	-
Balance at the end of the year	115,450	104,450
Carrying amounts of investments in subsidiaries	79,917	90,917

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 15. Investments in subsidiaries/Loans to subsidiaries/Loan from a subsidiary (Cont'd)

### (a) Investments in subsidiaries (cont'd)

- (i) In the prior financial year, the Company incorporated a wholly owned subsidiary, Eufhoria Pte. Ltd., which is an event organisers company for a paid-up share capital of S\$1,000.
- (ii) During the year, the Company impaired S\$11,000 of its investments in subsidiaries to profit or loss based on management's judgment of the fair value of the relevant subsidiaries' net assets as at the financial year end.

### (b) Loans to subsidiaries

As at 31 December 2024, the loans to subsidiaries consist of interest-free loan receivables of S\$6,212,237 (2023: S\$6,227,090).

The loans receivables are interest-free, unsecured and settlement is neither planned nor likely to occur in the foreseeable future. As the amounts are, in substance, a part of the Company's net investments in the equity of the subsidiaries, they are stated at cost less impairment losses.

Movements in the allowance for impairment loss of loans to subsidiaries during the financial year are as follows:

	Company	
	2024	2023
	S\$	S\$
Balance at the beginning of the year	941,098	-
Allowance for impairment during the year (i)	37,893	941,098
Balance at the end of the year	978,991	941,098

- (i) As at 31 December 2024, the Company had additional allowance for impairment loss of its loans to subsidiaries based on management's judgment of the recoverable amount of the loans to the relevant subsidiaries as at the financial year end.

### (c) Loan from a subsidiary

The loan from a subsidiary bears interest at between 9% and 10% (2023: between 9% and 10%) per annum and is repayable on demand or when the cashflow permits (repayment term) and the interest will continue to accrue until repayment of the respective principal is made.

### (d) Details of the Group's subsidiaries are as follows:

Name of companies	Principal activities	Effective equity held by the Group	
		2024	2023
Country of business/incorporation		%	%
<b>Held by the Company</b>			
Adroit Innovations Investment Pte. Ltd. <sup>(a)</sup>	Investment holding	100	100
Singapore			
Tria Holdings Pte. Ltd. <sup>(a)</sup>	Investment holding	100	100
Singapore			

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 15. Investments in subsidiaries/Loans to subsidiaries/Loan from a subsidiary (Cont'd)

(d) Details of the Group's subsidiaries are as follows: (cont'd)

Name of companies		Effective equity held by the Group	
Country of business/incorporation	Principal activities	2024	2023
		%	%
<u>Held by the Company</u>			
Asphere Holdings Pte. Ltd. <sup>(a)</sup> Singapore	Investment holding	100	100
Raintree Rock Sdn. Bhd. <sup>(e)</sup> Malaysia	Investment holding	-	-
SAL Resorts & Development Pte. Ltd. <sup>(a)</sup> Singapore	Investment holding	100	100
Eufhoria Pte Ltd. <sup>(f)</sup> Singapore	Event/concert organisers	100	100
<u>Held by Adroit Innovations Investment Pte. Ltd.</u>			
PT Rel-ion Sterilization Services <sup>(c)</sup> Indonesia	Sterilisation, decontamination and polymerisation services	77.71	77.71
<u>Held by Tria Holdings Pte. Ltd.</u>			
Trackplus Sdn. Bhd. <sup>(g)</sup> Malaysia	Property development	65	65
Solid Base Limited <sup>(d)</sup> Seychelles	Investment holding	100	100
<u>Held by Solid Base Limited</u>			
Trackplus Sdn. Bhd. <sup>(g)</sup> Malaysia	Property development	35	35
<u>Held by Asphere Holdings Pte. Ltd.</u>			
Gemisuria Corporation Sdn. Bhd. <sup>(b)</sup> Malaysia	Property development	100	100
PT Rel-ion Sterilization Services <sup>(c)</sup> Indonesia	Sterilisation, decontamination and polymerisation services	22.29	22.29

<sup>(a)</sup> Audited by PKF, Singapore.

<sup>(b)</sup> Audited by PKF, Malaysia.

<sup>(c)</sup> Audited by PKF, Indonesia (Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan, Indonesia.)

<sup>(d)</sup> No audit requirement in the country of incorporation.

<sup>(e)</sup> Undergoing liquidation.

<sup>(f)</sup> In process of commencing strike off.

<sup>(g)</sup> Voluntary liquidation commenced on 1 January 2025.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 16. Investment in associate

	Group		Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Balance at the beginning of the year	363,610	593,359	729,000	729,000
Share of loss of associate	(363,610)	(229,749)	-	-
Balance at end of the year	-	363,610	729,000	729,000
Less: Allowance for impairment loss	-	(363,610)	(729,000)	(729,000)
	-	-	-	-

Details of the Group's associate is as follows:

Name of entity		Effective equity held by the Group	
Country of business/incorporation	Principal activities	2024	2023
		%	%
Labrador Hill Pte. Ltd. <sup>(a)</sup>	Hoteliers and restaurateurs	27	27
Singapore			

<sup>(a)</sup> Audited by Stone Ray and Associates

As at 31 December 2024, the Group and the Company have continued to fully impair its investment in an associate, the recoverable amount of which was determined to be S\$ Nil (2023: S\$ Nil) on the basis that the associate is in a net liabilities position as at 31 December 2024.

There are no contingent liabilities relating to the Group's interest in the associate.

Summarised financial information in respect of the Group's investment in an associate is set out below.

*Summarised statement of financial position:*

	Labrador Hill Pte. Ltd.	
	2024	2023
	S\$	S\$
Current assets	364,158	336,729
Non-current assets	2,281,283	2,263,584
	2,645,441	2,600,313
Current liabilities	(3,071,205)	(1,466,466)
Non-current liabilities	(6,293,853)	(5,604,972)
	(9,365,058)	(7,071,438)
Net liabilities	(6,719,617)	(4,471,125)



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 16. Investment in associate (Cont'd)

*Summarised statement of comprehensive income:*

	<b>Labrador Hill Pte. Ltd.</b>	
	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Revenue	855,472	3,686,893
Loss for the year	(2,248,492)	(758,397)
Total comprehensive loss	<u>(2,248,492)</u>	<u>(758,397)</u>

The information above reflects the amounts presented in the financial statements of the associate (and not the Group's share of those amounts).

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associate is as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Net liabilities as at 31 December	(6,719,617)	(4,471,125)
Proportion of the Group's ownership	27.00%	27.00%
Group's share of net liabilities	-	-
Carrying amount of the investment in associate	<u>-</u>	<u>-</u>

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## Group

2024

Cost

As at 31 December 2024, the Group's loans from bank (Note 20) are secured by the Group's freehold land and building, which have a carrying amount of S\$1,556,463 (2023: S\$1,654,783).

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# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 17. Property and equipment (Cont'd)

	Freehold land S\$	Building S\$	Leasehold property S\$	Renovations S\$	Furniture and fittings S\$	Office, computer and other equipment S\$	Cobalt isotope S\$	Motor vehicles S\$	Construction in-progress S\$	Total S\$
<b>Group</b>										
2023										
<u>Cost</u>										
At 1 January	736,768	1,722,533	238,287	67,563	3,700	1,621,413	4,615,962	405,456	-	9,411,682
Additions	-	-	231,049	-	3,584	63,388	-	150,321	1,116,906	1,565,248
Disposal/Write-off	-	-	(240,437)	(67,563)	(3,700)	(27,492)	-	(58,940)	-	(398,132)
Currency translation differences	(8,194)	(19,156)	-	-	-	(18,661)	(51,336)	(7,490)	(36,423)	(141,260)
At 31 December	728,574	1,703,377	228,899	-	3,584	1,638,648	4,564,626	489,347	1,080,483	10,437,538
<u>Accumulated depreciation</u>										
At 1 January	-	699,781	218,133	67,563	3,700	1,304,529	2,632,201	309,165	-	5,235,072
Depreciation during the year	-	88,040	74,205	-	301	116,502	370,167	47,288	-	696,503
Disposal/Write-off	-	-	(238,287)	(67,563)	(3,700)	(26,102)	-	(31,247)	-	(366,899)
Currency translation differences	-	(10,653)	-	-	-	(16,908)	(41,345)	(3,961)	-	(72,867)
At 31 December	-	777,168	54,051	-	301	1,378,021	2,961,023	321,245	-	5,491,809
<u>Net carrying amount</u>										
At 31 December	728,574	926,209	174,848	-	3,283	260,627	1,603,603	168,102	1,080,483	4,945,729

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 17. Property and equipment (Cont'd)

	Renovations S\$	Leasehold property S\$	Furniture and fittings S\$	Office, computer and other equipment S\$	Total S\$
<b>Company</b>					
<b>2024</b>					
<u>Cost</u>					
At 1 January	-	228,899	3,584	48,869	281,352
Additions	-	-	-	19,531	19,531
Write-off	-	-	-	(18,433)	(18,433)
At 31 December	-	228,899	3,584	49,967	282,450
<u>Accumulated depreciation</u>					
At 1 January	-	54,051	301	29,988	84,340
Depreciation during the year	-	74,935	517	10,143	85,595
Write-off	-	-	-	(12,596)	(12,596)
At 31 December	-	128,986	818	27,535	157,339
<u>Net carrying amount</u>					
At 31 December	-	99,913	2,766	22,432	125,111
<b>2023</b>					
<u>Cost</u>					
At 1 January	67,563	238,287	3,700	48,869	358,419
Additions	-	231,049	3,584	-	234,633
Write-off	(67,563)	(240,437)	(3,700)	-	(311,700)
At 31 December	-	228,899	3,584	48,869	281,352
<u>Accumulated depreciation</u>					
At 1 January	67,563	218,133	3,700	19,975	309,371
Depreciation during the year	-	74,205	301	10,013	84,519
Write-off	(67,563)	(238,287)	(3,700)	-	(309,550)
At 31 December	-	54,051	301	29,988	84,340
<u>Net carrying amount</u>					
At 31 December	-	174,848	3,283	18,881	197,012

Right-of-use of assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such right-of-use assets are disclosed in Note 28(b).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 18. Intangible assets

	Computer software S\$
<b>Group</b>	
2024	
<u>Cost</u>	
At 1 January	-
Additions	65,597
Reclassification from property and equipment	6,038
Currency translation differences	137
At 31 December	71,772
<u>Accumulated amortisation</u>	
At 1 January	-
Amortisation during the year	6,674
Reclassification from property and equipment	566
Currency translation differences	13
At 31 December	7,253
<u>Net carrying amount</u>	
At 31 December	64,519

## 19. Trade and other payables

	Group		Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
<u>Current</u>				
Other payables	16,075	53,512	7,951	51,194
Deposit payable	46	270	-	-
Interest payable (a)	229,224	186,274	3,568,691	3,011,236
Accrued operating expenses	295,036	282,117	268,772	248,652
Total trade and other payables	540,381	522,173	3,845,414	3,311,082

(a) Interest payable relates to loans from shareholders and loan from a subsidiary.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 20. Borrowings

	Group		Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
<b>Current</b>				
Secured - Loans from bank (a)	630,060	190,131	-	-
Unsecured - Loans from bank (b)	1,500,000	1,800,000	1,500,000	1,800,000
Loans from shareholders (c)	2,222,185	1,382,185	2,222,185	1,382,185
	4,352,245	3,372,316	3,722,185	3,182,185
<b>Non-current</b>				
Secured - Loans from bank (a)	2,371,997	862,454	-	-
<b>Total borrowings</b>	<b>6,724,242</b>	<b>4,234,770</b>	<b>3,722,185</b>	<b>3,182,185</b>

- (a) Loans from bank are secured over the Group's freehold land and building (Note 17). The loans from bank bear an interest of 7.75% (2023: between 8.0% and 9.0%) per annum. The loans will mature between September 2030 and June 2033.
- (b) Loans from bank are unsecured and bears interest of 2.5% plus bank's Cost of Funds.
- (c) Loans from shareholders are unsecured. Two of these loans bear a fixed interest rate ranging from 2.00% to 4.50% (2023: 2.0%) per annum. The remaining loans carry a variable interest rate of 4.00% to 4.65% per annum, which is renewed and compounded weekly.
- (d) The reconciliation of movements of the Group's liabilities to the Group's cash flows arising from financing activities is presented below:

	Cash flows			Non-cash changes			
	At 1			Accretion	Net	Foreign	At 31
	January	Proceeds	Repayment	of interest	addition	exchange	December
	S\$	S\$	S\$	(Note 9)	during	difference	S\$
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<b>2024</b>							
Loans from banks	2,852,585	2,279,571	(620,282)	-	-	(9,817)	4,502,057
Loans from shareholders	1,382,185	840,000	-	-	-	-	2,222,185
Lease liabilities (Note 28)	188,780	-	(88,200)	8,159	12,066	-	120,805
	4,423,550	3,119,571	(708,482)	8,159	12,066	(9,817)	6,845,047
<b>2023</b>							
Loans from banks	2,621,057	351,213	(106,885)	-	-	(12,800)	2,852,585
Loans from a shareholder	4,832,335	-	(3,450,150)	-	-	-	1,382,185
Lease liabilities (Note 28)	31,991	-	(83,285)	9,025	231,049	-	188,780
	7,485,383	351,213	(3,640,320)	9,025	231,049	(12,800)	4,423,550



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 21. Defined benefit plan

	Group	
	2024	2023
	S\$	S\$
Present value of unfunded obligations	1,015,149	975,122

Movements in the present value of the defined benefit obligations during the financial year are as follows:

	Group	
	2024	2023
	S\$	S\$
Defined benefit obligations at the beginning of the year	975,122	932,202
Benefits paid by the plan	(210,865)	(207,004)
Current service costs	141,686	121,890
Excess of benefit paid	49,771	48,040
Interest on obligations	50,863	59,235
Actuarial loss	16,558	39,245
Deferred tax expense (Note 22)	(3,643)	(8,634)
Actuarial loss recognised in other comprehensive income	12,915	30,611
Currency translation differences	(4,343)	(9,852)
Defined benefit obligations at the end of the year	1,015,149	975,122

The amounts recognised in profit or loss during the financial year are as follows:

	Group	
	2024	2023
	S\$	S\$
Current service costs	141,686	121,890
Interest on obligations	50,863	59,235
Amortisation of past services cost - non vested	4,076	656
Excess of benefit paid	49,771	48,040
Total, included in "Employee benefits" (Note 7)	246,396	229,821

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 21. Defined benefit plan (Cont'd)

Principal actuarial assumptions at the end of the financial year are as follows:

	<b>Group</b> <b>2024 and 2023</b>
Valuation method	Projected Unit Credit based on Actuarial Cost Method
Mortality rate	TMI 2019 (2023: TMI 2019)
Discount rate	7.15% (2023: 6.75%)
Future salary increases	10%
Disability rate	1% from TMI 2019 (2023: 1% from TMI 2019)
Resignation rate	3% per annum up to age 25 years old, decrease linearly to 1% per annum at age 45 years old and thereafter
Normal retirement age	55 years old
Retirement rate	100% at normal retirement age

The Group has no significant exposure from changes in the principal actuarial assumptions disclosed above. Thus, no sensitivity analysis is presented.

## 22. Deferred taxes

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. The amounts, determined after appropriate offsetting, are shown in the consolidated statement of financial position as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	S\$	S\$
To be settled after one year		
- Deferred tax assets	288,170	272,482

The movement in deferred income tax assets (prior to offsetting of balances within the same tax jurisdiction) is as follows:

	<b>Group</b>		
	Accelerated tax depreciation	Other	Total
	S\$	S\$	S\$
<b>2024</b>			
Balance at the beginning of the year	270,943	1,539	272,482
(Charged)/Credited to			
- profit or loss (Note 10)	16,644	(1,125)	15,519
- other comprehensive income (Note 21)	3,643	-	3,643
Currency translation differences	(3,452)	(22)	(3,474)
Balance at the end of the year	287,778	392	288,170

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 22. Deferred taxes (Cont'd)

	Group		
	Accelerated tax depreciation	Other	Total
	S\$	S\$	S\$
<b>2023</b>			
Balance at the beginning of the year	263,245	1,160	264,405
(Charged)/Credited to			
- profit or loss (Note 10)	2,350	405	2,755
- other comprehensive income (Note 21)	8,634	-	8,634
Currency translation differences	(3,286)	(26)	(3,312)
Balance at the end of the year	270,943	1,539	272,482

Deferred tax assets are recognised for employee benefit provision and capital allowances carried forward to the extent that realisation of related tax benefits through future taxable profits is probable.

The Group and the Company had the following unrecognised tax losses which can be carried forward and used to offset against future taxable income subject to meeting certain statutory tax requirements by those group entities in their respective countries of incorporation:

	Group		Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Tax losses	34,562,633	33,933,580	34,257,438	31,940,113

The tax losses have no expiry date. The Group's and the Company's deferred tax benefits arising from these unutilised tax losses have not been recognised in the financial statements as the Group and the Company have assessed that it is not probable that taxable profits will be available against which the unutilised tax losses can be utilised.

## 23. Share capital

	Group and Company			
	2024		2023	
	Number of ordinary shares	S\$	Number of ordinary shares	S\$
<i>Ordinary shares issued and fully paid</i>				
Balance at the beginning and end of the year	27,570,762,183	127,338,850	27,570,762,183	127,338,850

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 23. Share capital (Cont'd)

### (a) Share options

#### Blumont Employee Share Option Scheme 2013 (the "Blumont ESOS 2013")

The Blumont ESOS 2013 had fully vested on 22 April 2023.

As at 31 December 2024, the total number of shares granted under Blumont ESOS 2013 is 1,160,000,000 which 580,000,000 were granted as Market Price Options of S\$0.004 per ordinary share and 580,000,000 were granted as Discounted Options of S\$0.0032 per ordinary share.

Movements in the number of share options and their exercise prices are as follows:

	<b>Company</b>	
	Weighted average exercise price	No. of options
	As at 31 Dec 2024	As at 31 Dec 2024
	S\$	'000
Outstanding at the beginning and end of the year	0.0036	1,160,000

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a Black-Scholes Option Pricing model.

	<b>Group</b>
<b>Date of grant of options</b>	<b>17 June 2021</b>
Fair value of share options and assumptions	
Fair value at measurement date	S\$0.0039 – S\$0.0040
Share price	S\$0.0040
Exercise price	S\$0.0032 – S\$0.0040
Expected volatility	258.6% – 274.5%
Expected option life	3.0 – 6.0 years
Expected dividend yield	0.0%
Exercise period	17/06/2022 to 16/06/2031
Risk-free interest rate	0.74% – 1.06%

The expected volatility is based on the historic volatility (calculated based on the weighted average expected life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

There are no market conditions associated with the share option grants. Service conditions and non-market performance conditions are not taken into account in the measurement of the fair value of the services to be received at the grant date.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 23. Share capital (Cont'd)

### (a) Share options (cont'd)

#### Southern Archipelago Employee Share Option Scheme 2023 ("SAL ESOS 2023")

At an Extraordinary General Meeting held on 10 August 2023, the members of the Company approved the SAL ESOS 2023, for granting of non-transferable options to employees (including executive directors) and non-executive directors of the Company.

The SAL ESOS 2023 is administered by the Compensation Committee which is overseen by the Remuneration Committee whose members are Ng Keok Chai (Chairman), Siaw Lu Howe and Aris Muhammad Rizal.

The SAL ESOS 2023 shall continue to be in force at the discretion of the Compensation Committee for a period of ten years from 10 August 2023. However, the period may be extended or terminated with the approval of shareholders at a general meeting of the Company and any relevant approvals which may then be required.

Under the SAL ESOS 2023, Market Price Options may be exercised from the 1<sup>st</sup> anniversary of the date of grant to the 10<sup>th</sup> anniversary of the date of grant. Discounted Options may be exercised from the 2<sup>nd</sup> anniversary of the date of grant to the 10<sup>th</sup> anniversary of the date of grant.

The subscription price for each ordinary share in respect of which an option is exercisable shall be determined by the Compensation Committee as follows:

- (i) fixed at the market price equal to the average of the last dealt prices for the share on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the three (3) consecutive trading days immediately preceding the date of grant of that option; or
- (ii) set at a discount to a market price, provided that the maximum discount shall not exceed twenty per cent (20%) of the market price.

No share options under the SAL ESOS 2023 have been granted during and as at the financial years ended 31 December 2024 and 2023.

#### Southern Archipelago Performance Share Plan (the "SAL PSP")

At the Extraordinary General Meeting held on 10 August 2023, the members of the Company approved the SAL PSP, for granting of incentive share awards to employees (including executive directors) and non-executive directors of the Company.

The SAL PSP is administered by the Compensation Committee which is overseen by the Remuneration Committee whose members are Ng Keok Chai (Chairman), Siaw Lu Howe and Aris Muhammad Rizal.

The SAL PSP shall continue to be in force at the discretion of the Compensation Committee for a period of ten years from 10 August 2023. However, the period may be extended or terminated with the approval of shareholders at a general meeting of the Company and any relevant approvals which may then be required.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 23. Share capital (Cont'd)

### (a) Share options (cont'd)

#### Southern Archipelago Performance Share Plan (the "SAL PSP") (cont'd)

A participants' award under the SAL PSP will be determined at the sole discretion of the Compensation Committee. In considering an award to be granted to a participant, the Compensation Committee may take into account, *inter alia*, the participant's performance and/or contribution to the Company.

Awards granted under the SAL PSP will typically vest only after the satisfactory completion of performance-related award conditions and/or other conditions such as vesting period(s) applicable for the release of the award. No minimum vesting periods are prescribed under the SAL PSP, and the length of the vesting period(s) in respect of each award will be determined on a case-by-case basis.

No incentive share awards under the SAL PSP have been granted during and as at the financial years ended 31 December 2024 and 2023.

### (b) Capital management

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Group consists of share capital, reserves, accumulated losses and net debts, which includes borrowings net of cash and bank balances.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debts.

Consistently, the Group monitors capital on the basis of the net debt-to-adjusted capital ratio. This ratio is calculated as net debt over adjusted capital. Net debt is calculated as total debt (as shown in the statement of financial position) less income tax and deferred tax liabilities and cash and bank balances. Adjusted capital is calculated as total equity and net debt.

There were no changes in the Group's approach to capital management during the current and previous financial years.

The Group and the Company are not subject to externally imposed capital requirements.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 23. Share capital (Cont'd)

### (b) Capital management (cont'd)

The net debt-to-adjusted capital ratio as at the statement of reporting date is as follows:

	Group		Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Net debt	7,986,435	2,841,340	13,160,585	11,897,695
Total equity	2,442,180	2,791,049	(6,690,842)	(5,329,286)
Adjusted capital	10,428,615	5,632,389	6,469,743	6,568,409
Net debt-to-adjusted capital ratio	76.6%	50.4%	203.4%	181.1%

## 24. Reserves

	Group		Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
(a) Composition:				
Currency translation reserve (i)	(5,020,642)	(4,837,411)	-	-
Other reserves (ii)	1,734,998	1,734,998	-	-
Share option reserve (iii)	4,618,640	4,618,640	4,618,640	4,618,640
	1,332,996	1,516,227	4,618,640	4,618,640

### (i) Currency translation reserve

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

### (ii) Other reserves

The other reserves represent the effects of changes in ownership interests in subsidiaries.

### (iii) Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the share option reserve is transferred to share capital. When the share options expire or are forfeited, the amount from the share option reserve is transferred to retained earnings.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 25. Financial risk management

The Group's activities are exposed to market risk (including currency risk and interest rate risk), credit risk and liquidity risk arising in the normal course of the Group's and the Company's business. The Group's overall risk management strategy seeks to minimise potential adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Company's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Risk management is carried out by the Group's executive management.

### (a) Market risk

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

#### (i) Currency risk

The Group operates internationally and is subject to various currency exposures, primarily with respect to the Indonesian Rupiah ("IDR"), Malaysian Ringgit ("RM") and United States Dollar ("USD"). Currency risk arises from recognised assets and liabilities and net investments in foreign operations.

The Group has certain investments in foreign operations, whose net assets are exposed to currency translation risk. Currency exposures to the net assets of the Group's foreign operations in Malaysia and Indonesia are kept at a minimal level. The Group does not presently hedge this foreign exchange exposure.

Generally, recognised assets and liabilities are denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily in Singapore Dollar, IDR, RM and USD. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances. The Group monitors exposure of foreign currency risk on an ongoing basis by reviewing the liquid assets and liabilities held in currencies other than the Singapore Dollar to ensure that the net exposure are within acceptable parameters.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 25. Financial risk management (Cont'd)

### (a) Market risk (cont'd)

#### (i) Currency risk (cont'd)

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

	Singapore Dollar S\$	Indonesian Rupiah S\$	Malaysian Ringgit S\$	United States Dollar S\$	Total S\$
<b>2024</b>					
<b>Group</b>					
Trade and other receivables	-	574,206	6,349	21,026	601,581
Other assets (deposits)	23,750	2,113	-	-	25,863
Cash and bank balances	125,151	280,230	7,148	1,613	414,142
Trade and other payables	(524,185)	(13,244)	(2,952)	-	(540,381)
Borrowings	(3,722,185)	(3,002,057)	-	-	(6,724,242)
Lease liabilities	(120,805)	-	-	-	(120,805)
Net financial (liabilities)/ assets	(4,218,274)	(2,158,752)	10,545	22,639	(6,343,842)
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currency	4,225,602	2,158,752	(4,196)	-	6,380,158
Currency exposure	7,328	-	6,349	22,639	36,316
<b>Company</b>					
Other receivables	-	-	-	21,026	21,026
Cash and bank balances	117,819	-	-	-	117,819
Other asset (deposits)	23,750	-	-	-	23,750
Loans to subsidiaries	6,212,237	-	-	-	6,212,237
Loan from a subsidiary	(5,590,000)	-	-	-	(5,590,000)
Borrowings	(3,722,185)	-	-	-	(3,722,185)
Trade and other payables	(3,845,414)	-	-	-	(3,845,414)
Lease liabilities	(120,805)	-	-	-	(120,805)
Net financial (liabilities) / assets	(6,924,598)	-	-	21,026	(6,903,572)
Less: Net financial liabilities denominated in the Company's functional currency	6,924,598	-	-	-	6,924,598
Currency exposure	-	-	-	21,026	21,026

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 25. Financial risk management (Cont'd)

### (a) Market risk (cont'd)

#### (i) Currency risk (cont'd)

	Singapore Dollar S\$	Indonesian Rupiah S\$	Malaysian Ringgit S\$	United States Dollar S\$	Total S\$
<b>2023</b>					
<b>Group</b>					
Trade and other receivables	-	410,220	6,349	20,382	436,951
Other assets (deposits)	23,750	2,134	-	-	25,884
Cash and cash equivalents	386,131	2,674,855	16,881	1,638	3,079,505
Trade and other payables	(508,238)	(10,201)	(3,734)	-	(522,173)
Borrowings	(3,182,185)	(1,052,585)	-	-	(4,234,770)
Lease liabilities	(188,780)	-	-	-	(188,780)
Net financial (liabilities)/ assets	(3,469,322)	2,024,423	19,496	22,020	(1,403,383)
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currency	3,476,736	(2,024,423)	(13,147)	-	1,439,166
Currency exposure	7,414	-	6,349	22,020	35,783
<b>Company</b>					
Other receivables	20,382	-	-	-	20,382
Cash and cash equivalents	374,352	-	-	-	374,352
Other asset (deposits)	23,750	-	-	-	23,750
Loans to subsidiaries	6,227,090	-	-	-	6,227,090
Loan from a subsidiary	(5,590,000)	-	-	-	(5,590,000)
Borrowings	(3,182,185)	-	-	-	(3,182,185)
Trade and other payables	(3,311,082)	-	-	-	(3,311,082)
Lease liabilities	(188,780)	-	-	-	(188,780)
Net financial liabilities	(5,626,473)	-	-	-	(5,626,473)
Less: Net financial liabilities denominated in the Company's functional currency	5,626,473	-	-	-	5,626,473
Currency exposure	-	-	-	-	-

A 5% strengthening of the Singapore Dollar against the foreign currencies at the reporting date would not have a significant impact to the Group and the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 25. Financial risk management (Cont'd)

### (a) Market risk (cont'd)

#### (ii) *Cash flow and fair value interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their borrowings.

The Group does not expect any significant effect on the Group's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

The Group's and the Company's borrowings at variable rates on which effective hedges have not been entered into are the Singapore bank loans denominated mainly in SGD. If the SGD interest rates had been higher/lower by 5% (2023: 1%) with all other variables including tax rate being held constant, the profit after tax would have been lower/higher by S\$132,000 (2023: S\$18,000) mainly as a result of higher/lower interest expense on these loans.

### (b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group, and arises principally from the Group's trade and other receivables and cash and bank balances.

As the Group does not hold collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position. For trade and other receivables, the Group has a credit policy in place and monitors credit evaluation and exposure to credit risk on an ongoing basis. The counterparty's payment pattern and credit exposure are continuously monitored at the entity level by the respective management and at the Group level.

#### (i) *Trade receivables*

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables. In measuring the expected credit losses, trade receivables are grouped based on their shared credit risk characteristics and numbers of days past due.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in repayment plan with the Group. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 25. Financial risk management (Cont'd)

### (b) Credit risk (Cont'd)

#### (i) Trade receivables (Cont'd)

The maximum exposure to credit risk for trade and other receivables as at the reporting date by geographic region is as follows:

	Group		Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Singapore	27,375	26,731	21,026	20,382
Indonesia	574,206	410,220	-	-
	601,581	436,951	21,026	20,382

The trade receivables of the Group comprised 9 individual debtors (2023: 9 individual debtors) that in aggregate represent 48% (2023: 38%) of trade receivables.

#### (ii) Cash and bank balances

The Group held cash and bank balances with banks with good credit ratings.

The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

#### (iii) Other receivables and loan to subsidiaries

The Group and Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group and Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

### (c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk by maintaining sufficient cash and marketable securities and the ability to close out market positions at a short notice. Where necessary, fund-raising exercise will be considered through right issues and private placements.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 25. Financial risk management (Cont'd)

### (c) Liquidity risk (cont'd)

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Carrying amounts S\$	Contractual amounts S\$	< 1 year S\$	1 - 5 years S\$	> 5 years S\$
<b>Group</b>					
<b>2024</b>					
Trade and other payables	540,381	540,381	540,381	-	-
Borrowings	6,724,242	7,639,940	4,708,868	2,184,708	746,364
Lease liabilities	120,805	134,200	92,200	42,000	-
	<b>7,385,428</b>	<b>8,314,521</b>	<b>5,341,449</b>	<b>2,226,708</b>	<b>746,364</b>

<b>2023</b>					
Trade and other payables	522,173	522,173	522,173	-	-
Borrowings	4,234,770	4,691,352	3,595,085	804,102	292,165
Lease liabilities	188,780	202,550	88,200	114,350	-
	<b>4,945,723</b>	<b>5,416,075</b>	<b>4,205,458</b>	<b>918,452</b>	<b>292,165</b>

	Carrying amounts S\$	Contractual amounts S\$	< 1 year S\$	1 - 5 years S\$
<b>Company</b>				
<b>2024</b>				
Trade and other payables	277,411	277,411	277,411	-
Borrowings	3,722,185	3,954,014	3,954,014	-
Loan from a subsidiary	5,590,000	8,929,467	8,929,467	-
Lease liabilities	120,805	134,200	92,200	42,000
	<b>9,710,401</b>	<b>13,295,092</b>	<b>13,253,092</b>	<b>42,000</b>

<b>2023</b>				
Trade and other payables	486,121	486,121	486,121	-
Borrowings	3,182,185	3,329,529	3,329,529	-
Loan from a subsidiary	5,590,000	8,414,961	8,414,961	-
Lease liabilities	188,780	202,550	88,200	114,350
	<b>9,447,086</b>	<b>12,433,161</b>	<b>12,318,811</b>	<b>114,350</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 25. Financial risk management (cont'd)

### (d) Fair value measurement

#### (i) Non-derivative financial liabilities

The carrying amounts of borrowings approximate its fair value as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

#### (ii) Other financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

## 26. Financial instruments by category

The carrying amount of the different categories of financial instruments are as follows:

	Group		Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
<b>Financial assets</b>				
<u>At amortised cost</u>				
Cash and bank balances	414,142	3,079,505	117,819	374,352
Trade and other receivables	601,581	436,951	21,026	20,382
Loans to subsidiaries	-	-	6,212,237	6,227,090
Other assets (deposits)	25,863	25,884	23,750	23,750
	1,041,586	3,542,340	6,374,832	6,645,574
<u>At fair value through profit or loss</u>				
Investment securities	-	-	-	-
	1,041,586	3,542,340	6,374,832	6,645,574
<b>Financial liabilities</b>				
<u>At amortised cost</u>				
Trade and other payables	540,381	522,173	3,845,414	3,311,082
Borrowings	6,724,242	4,234,770	3,722,185	3,182,185
Loan from a subsidiary	-	-	5,590,000	5,590,000
Lease liabilities	120,805	188,780	120,805	188,780
	7,385,428	4,945,723	13,278,404	12,272,047

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 27. Significant related party transactions

There are no other related party transactions other than as disclosed elsewhere in the financial statements and below.

### Key management compensation

The remuneration of directors of the Company and directors of the Group's subsidiaries, who are the key management personnel of the Group, is as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Directors' fees (Note 8)	103,500	103,500
Short-term employee benefits	615,090	601,138
Share-based payment expense	-	263,566
	<b>718,590</b>	<b>968,204</b>

<i>Comprised:</i>		
Directors of the Company	399,458	639,859
Directors of the Group's subsidiaries	319,132	328,345
	<b>718,590</b>	<b>968,204</b>

## 28. Lease liabilities

	<b>Group and Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
<u>Current</u>		
Buildings	84,564	76,393
Office equipment	3,354	3,807
	<b>87,918</b>	<b>80,200</b>
<u>Non-current</u>		
Buildings	18,619	103,183
Office equipment	14,268	5,397
	<b>32,887</b>	<b>108,580</b>
<b>Total lease liabilities</b>	<b>120,805</b>	<b>188,780</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 28. Lease liabilities (Cont'd)

The Group as lessee

### (a) Nature of the Group's leasing activities

The Group has entered into leases of its office premise and office equipment. The Group is prohibited from selling, pledging or sub-leasing the underlying leased assets, and is required to maintain the assets in good condition.

### (b) Carrying amount of right-of-use assets classified within Property and Equipment

	Building S\$	Office equipment S\$	Total S\$
<b>Cost</b>			
At 1 Jan 2023	238,287	18,433	256,720
Addition	231,049	-	231,049
Write off	(240,437)	-	(240,437)
At 31 December 2023 and 1 January 2024	228,899	18,433	247,332
Addition	-	18,433	18,433
Disposal	-	(18,433)	(18,433)
At 31 December 2024	228,899	18,433	247,332
<b>Accumulated depreciation</b>			
At 1 Jan 2023	218,133	6,144	224,277
Depreciation during the year	74,205	3,687	77,892
Write off	(238,287)	-	(238,287)
At 31 December 2023 and 1 January 2024	54,051	9,831	63,882
Depreciation during the year	74,935	3,686	78,621
Disposal	-	(12,596)	(12,596)
At 31 December 2024	128,986	921	129,907
<b>Net carrying amount as at 31 December 2023</b>	174,848	8,602	183,450
<b>Net carrying amount as at 31 December 2024</b>	99,913	17,512	117,425

### (c) Amounts recognised in profit or loss

	2024 S\$	2023 S\$
Depreciation charged for the year:		
- Building	74,935	74,205
- Office equipment	3,686	3,686
Interest on lease liabilities (Note 9)	8,159	9,025

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 28. Lease liabilities (Cont'd)

(d) Other disclosures

	2024 S\$	2023 S\$
Total cash outflow for leases (Note 20(d))	88,200	83,285

(e) Future cash outflow which are not capitalised in lease liabilities

The lease of office premise contains extension period, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise this extension option. The Group negotiates extension option to optimise operational flexibility in terms of managing the asset used in the Group's operations. The extension option is exercisable by the Group and not by the lessor.

## 29. Commitments

The Company has given an undertaking to provide continuing financial support to certain subsidiaries of the Group for the next twelve months from the date of authorisation of their financial statements.

## 30. Operating segments

The Chief Executive Officer ("CEO") and the Executive Directors ("EDs") are the Group's chief operating decision maker. Management has determined the operating segments based on the reports reviewed by the CEO and EDs that are used to make strategic decisions, allocate resources and assess performance. The Group's reportable segments are as follows:

- Investment holding - investment in transferable securities including but not limited to marketable shares, warrants and debentures etc.
- Sterilisation - providing contract sterilisation, decontamination and polymerisation services to food packaging, medical devices, cosmetic raw materials and consumers products.
- Property - development of property for sale, long-term holding of property for rental and related income.
- Hospitality and wellness – provision of hotel management and wellness services.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 30. Operating segments (Cont'd)

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit/(loss) before income tax.

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments.

### Information about reportable segments

	Investment holding S\$	Sterilisation S\$	Property S\$	Hospitality and wellness S\$	Total S\$
<b>Group</b>					
<b>2024</b>					
<b>External revenues</b>	-	4,816,725	-	-	4,816,725
Segment results	(1,298,654)	2,540,109	(9,394)	355	1,232,416
Interest income	310	11,809	-	1	12,120
Finance costs	(158,095)	(112,496)	-	-	(270,591)
Depreciation and amortisation	(85,595)	(652,821)	-	-	(738,416)
<b>Reportable segment (loss)/ profit before income tax</b>	<b>(1,542,034)</b>	<b>1,786,601</b>	<b>(9,394)</b>	<b>356</b>	<b>235,529</b>
<b>Other material items</b>					
Capital expenditure					
- property and equipment	19,532	5,027,631	-	-	5,047,163
- intangible assets	-	65,597	-	-	65,597
	19,532	5,093,228	-	-	5,112,760
Segment assets	381,671	10,165,768	7,148	-	10,554,587
Unallocated assets - deferred tax assets					288,170
<b>Consolidated total assets</b>					<b>10,842,757</b>
Segment liabilities	4,367,177	4,030,448	2,952	-	8,400,577
<b>Consolidated total liabilities</b>					<b>8,400,577</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 30. Operating segments (cont'd)

Information about reportable segments (cont'd)

	Investment holding S\$	Sterilisation S\$	Property S\$	Hospitality and wellness S\$	Total S\$
<b>Group</b>					
<b>2023</b>					
<b>External revenues</b>	-	5,196,354	-	-	5,196,354
Segment results	(1,821,222)	3,132,171	182,454	(15,765)	1,477,638
Interest income	6,565	45,540	-	-	52,105
Finance costs	(155,075)	(90,907)	-	-	(245,982)
Depreciation	(84,519)	(611,984)	-	-	(696,503)
<b>Reportable segment (loss)/ profit before income tax</b>	<b>(2,054,251)</b>	<b>2,474,820</b>	<b>182,454</b>	<b>(15,765)</b>	<b>587,258</b>
<b>Other material items</b>					
Capital expenditure					
- property and equipment	234,632	1,330,616	-	-	1,565,248
Segment assets	711,017	7,881,866	16,881	4,361	8,614,125
Unallocated assets - deferred tax assets					272,482
<b>Consolidated total assets</b>					<b>8,886,607</b>
Segment liabilities	3,874,222	2,037,908	3,733	4,982	5,920,845
Unallocated liabilities - current income tax liabilities					174,713
<b>Consolidated total liabilities</b>					<b>6,095,558</b>

### Geographical segments

The Group's four business segments operate in three main geographical areas - Singapore, Malaysia and Indonesia.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets or the underlying investments held.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 30. Operating segments (Cont'd)

### Geographical information

	External revenues S\$	Non-current assets * S\$
<b>Group</b>		
<b>2024</b>		
Singapore	-	125,111
Indonesia	4,816,725	9,136,422
	<u>4,816,725</u>	<u>9,261,533</u>
<b>2023</b>		
Singapore	-	197,012
Indonesia	5,196,354	4,748,717
	<u>5,196,354</u>	<u>4,945,729</u>

\* Non-current assets exclude deferred tax assets.

### Information about major customers

Included in revenue arising from sterilisation services are revenues of approximately S\$2.66 million (2023: S\$2.43 million) which arose from sales to the Group's twelve (2023: nine) largest customers.

## 31. Events after reporting period

On 1 January 2025, the Company announced that Trackplus Sdn. Bhd. ("Trackplus"), a wholly-owned subsidiary of the Group, has resolved to commence a members' voluntary liquidation process. Trackplus has been dormant since September 2022.

## 32. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Board of Directors of Southern Archipelago Ltd. on 4 April 2025.

# STATISTICS OF SHAREHOLDINGS

AS AT 21 MARCH 2025

Issued share capital	:	S\$127,338,850
Class of shares	:	Ordinary shares
Number of shares	:	27,570,762,183
Number of treasury shares	:	Nil
Number of subsidiary holdings	:	Nil
Voting Rights	:	one vote per share

## DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of	Percentage of	No. of	Percentage of
	Shareholders	Shareholders	Shares Held	Shares Held
		%		%
1 - 99	56	1.03	615	0.00
100 - 1,000	385	7.05	354,986	0.00
1,001 - 10,000	1,011	18.51	6,445,164	0.02
10,001 - 1,000,000	3,546	64.92	696,290,929	2.53
1,000,001 and above	464	8.49	26,867,670,489	97.45
Total	5,462	100.00	27,570,762,183	100.00

## SUBSTANTIAL SHAREHOLDERS

(As shown in the Register of Substantial Shareholders)

Name of Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	(%)	No. of Shares	(%)
Mark Wee Liang Yee	14,162,024,558	51.37	-	-
Ultimate Horizon Pte. Ltd.	8,131,184,204	29.49	-	-
Mezzanotte Capital Pte Ltd <sup>(1)</sup>	-	-	8,131,184,204	29.49
Lee Teck Yuen <sup>(1)</sup>	-	-	8,131,184,204	29.49

<sup>(1)</sup> Mezzanotte Capital Pte Ltd and Mr. Lee Teck Yuen are deemed interested in the shares of the Company held through Ultimate Horizon Pte Ltd as Ultimate Horizon Pte Ltd is wholly owned by Mezzanotte Capital Pte Ltd, which is wholly owned by Mr. Lee Teck Yuen.

## PUBLIC FLOAT

Based on information available to the Company as at 21 March 2025, approximately 18.96% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

# STATISTICS OF SHAREHOLDINGS

AS AT 21 MARCH 2025

## TOP TWENTY SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	Percentage %
1	DB NOMINEES (SINGAPORE) PTE LTD	14,007,500,000	50.81
2	CITIBANK NOMINEES SINGAPORE PTE LTD	8,284,067,205	30.05
3	PHILLIP SECURITIES PTE LTD	464,012,114	1.68
4	DBS NOMINEES PTE LTD	443,710,508	1.61
5	UOB KAY HIAN PTE LTD	361,840,808	1.31
6	OCBC SECURITIES PRIVATE LTD	312,745,498	1.13
7	HO BENG SIANG	312,300,000	1.13
8	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	217,020,299	0.79
9	HSBC (SINGAPORE) NOMINEES PTE LTD	168,775,500	0.61
10	LIM AND TAN SECURITIES PTE LTD	99,309,743	0.36
11	RAFFLES NOMINEES (PTE) LIMITED	67,446,200	0.24
12	MAYBANK SECURITIES PTE. LTD.	62,757,989	0.23
13	BUSHAR TOMI OR OEY MI LING @MERY WIDJAYA	58,186,400	0.21
14	FONG CHEE KHUEN	50,000,000	0.18
15	GAN ENG THYE	36,000,000	0.13
16	TOH LEE HEOK	35,826,600	0.13
17	UNITED OVERSEAS BANK NOMINEES PTE LTD	33,596,250	0.12
18	EE KWANSON	31,000,000	0.11
19	LONG SA KOW	28,370,400	0.1
20	KHOO KHAR LEE	24,902,300	0.09
Total:		25,099,367,814	91.02

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (“AGM”) of the Company will be held at Level 2 Room Nautica III Republic of Singapore Yacht Club 52 West Coast Ferry Road Singapore 126887 on Thursday, 24 April 2025 at 10:00 a.m. for the purpose of transacting the following businesses:

## **ORDINARY BUSINESS**

- |    |  |                     |
|----|--|---------------------|
| 1. | To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2024 together with the Directors’ Statement and Auditor’s Report thereon. | <b>Resolution 1</b> |
| 2. | To approve the payment of Directors’ fees of S\$103,500 for the financial year ending 31 December 2025, payable quarterly in arrears. (FY2024: S\$103,500)               | <b>Resolution 2</b> |
| 3. | To re-elect Mr. Siaw Lu Howe a Director retiring pursuant to Regulation 111 of the Company’s Constitution. <b>[See Explanatory Note 1]</b>                               | <b>Resolution 3</b> |
| 4. | To re-elect Mr. John Lee Yow Meng, a Director retiring pursuant to Regulation 111 of the Company’s Constitution. <b>[See Explanatory Note 2]</b>                         | <b>Resolution 4</b> |
| 5. | To re-appoint Messrs PKF-CAP LLP as Auditors of the Company for the financial year ending 31 December 2025 and to authorise the Directors to fix their remuneration.     | <b>Resolution 5</b> |
| 6. | To transact any other business which may properly be transacted at an Annual General Meeting.  |                     |

## **SPECIAL BUSINESS**

To consider and if thought fit, pass the following Ordinary Resolutions, with or without modifications:

- |    |  |                     |
|----|--|---------------------|
| 7. | <b>AUTHORITY TO ALLOT AND ISSUE SHARES</b> | <b>Resolution 6</b> |
|----|--|---------------------|

That pursuant to Section 161 of the Companies Act 1967 of Singapore (the “**Companies Act**”) and Rule 806 of the Listing Manual (“**Listing Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), authority be and is hereby given to the Directors of the Company (the “**Directors**”) to (i) allot and issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and (iii) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of the Instruments made or granted by the Directors while this Resolution was in force, provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), or such other limit as

# NOTICE OF ANNUAL GENERAL MEETING

may be prescribed by the Listing Rules as at the date this Resolution is passed, of which the aggregate number of Shares to be issued other than on a *pro rata* basis to existing shareholders of the Company (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed twenty per cent (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below) or such other limit as may be prescribed by the Listing Rules as at the date this Resolution is passed;

- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
- (a) new Shares arising from the conversion or exercise of any convertible securities;
  - (b) new Shares arising from exercising share options or vesting of share awards, provided that the share options or awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Listing Rules; and
  - (c) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustments in accordance to sub-paragraphs (2)(a) and (2)(b) 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.

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, the Constitution for the time being of the Company; and
- (4) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

**[See Explanatory Note 3]**

BY ORDER OF THE BOARD

Siaw Lu Howe  
Independent Director and Non-Executive Chairman

Date: 9 April 2025



# NOTICE OF ANNUAL GENERAL MEETING

## EXPLANATORY NOTE:

1. Mr. Siaw Lu Howe will, upon re-election as a Director of the Company, remain as the Independent Director and Non-Executive Chairman of the Company. Detailed information on Mr. Siaw Lu Howe can be found under the sections titled "Board of Directors", "Corporate Governance Report - Additional Information of Directors nominated for re-election" of the Annual Report 2024.
2. Mr. John Lee Yow Meng will, upon re-election as a Director of the Company, remain as the Executive Director of the Company. Detailed information on Mr. John Lee Yow Meng can be found under the sections titled "Board of Directors", "Corporate Governance Report - Additional Information of Directors nominated for re-election" of the Annual Report 2024.
3. Ordinary Resolution 6, if passed, will empower the Directors from the date of this AGM until the date of the next AGM or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue shares in the capital of the Company and to make or grant Instruments (such as warrants or debentures) convertible into shares, and to issue shares pursuant to such Instruments. The aggregate number of shares (including shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) which the Directors may allot and issue, shall not exceed, in total, fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings), of which the total number of shares issued other than on a pro-rata basis to existing shareholders of the Company, shall not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings).

For determining the aggregate number of shares that may be issued, the percentage of issued shares will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time Resolution 6 is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when Resolution 6 is passed and any subsequent consolidation or subdivision of shares.

## NOTES:

1. The AGM will be held physically at the venue, date and time stated above. **There will be no option for members to participate virtually.** Printed copies of this Notice of AGM and the accompanying proxy form as well as a request form for the members to opt to receive hard copy of the Annual Report, will be sent by post to members. These documents as well as the Annual Report will also be published on the SGXNet website at the URLs <https://www.sgx.com/securities/company-announcements>. Members, including CPF and SRS investors, are able to ask questions and vote at the AGM in person, or by appointing proxy(ies) and representative(s) to do so on their behalf.
2. Submission of instrument appointing proxy(ies) to vote at the AGM:
  - (a) Shareholders (whether individual or corporate) who attend the AGM may cast their votes in real time for the resolutions to be tabled at the AGM.
  - (b) Alternatively, Shareholders may exercise his/her/their voting rights at the AGM via his/her/their appointed proxy(ies) or appoint the Chairman of the meeting as his/her/their proxy to attend, speak and vote on his/her/their behalf at the AGM. A proxy need not be a member of the Company. In appointing the proxy(ies), a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
  - (c) A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member's proxy form appoints more than one (1) proxy, the proportion of the shareholder concerned to be represented by each proxy shall be specified in the instrument.
  - (d) A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

**"Relevant Intermediary"** shall have the meaning ascribed to it in Section 181 of the Companies Act:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

# NOTICE OF ANNUAL GENERAL MEETING

- (b) a person holding a capital markets services licence holder to provide under the Securities and Futures Act and who holds shares in that capacity; and
- (c) CPF Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under the Central Provident Fund Act 1953 of Singapore providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.
- (e) The instrument appointing the proxy(ies), together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must:
  - (i) If sent personally or by post, be lodged at the office of Tricor Barbinder Share Registration Services at 9 Raffles Place #26 – 01 Republic Plaza Singapore 048619; or
  - (ii) If submitted by email, be received by [sg.is.proxy@vistra.com](mailto:sg.is.proxy@vistra.com)

in either case, by 21 April 2025 at 10:00 a.m, being not less than seventy-two (72) hours before the time appointed for holding the AGM (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid. Shareholders are strongly encouraged to submit completed proxy forms electronically via email.

The proxy form must be under the hand of the appointor or on his/her/their attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its common seal (or otherwise in accordance with its constitution) or under the hand of their attorney or officer duly authorised.

- (f) For investors who hold shares through relevant intermediaries, including CPF and SRS investors, who wish to appoint the proxy(ies) should contact their relevant intermediaries (which would include, in the case of CPF and SRS investors, their respective CPF Agent Banks and SRS Operators) through which they hold such shares, to submit their voting instructions at least seven (7) working days prior to the date of the AGM.
- (g) In the case of a member whose shares are entered against his/her/their name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), the Company may reject any instrument appointing the proxy or proxies lodged if such member, being appointor, is not shown to have shares entered against his/her/their name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

### 3. Submission of Questions

- (a) A member of the Company may also submit questions related to the resolutions to be tabled for approval at the AGM. To do so, all questions must be submitted by 16 April 2025 (being seven (7) calendar days from the date of the Notice of AGM) via the following:
  - (i) email to: [gm\\_admin@southernarchipelago.com](mailto:gm_admin@southernarchipelago.com); or
  - (ii) post to the registered office of Southern Archipelago Ltd. at Apex @ Henderson 201 Henderson Road #05-19 Singapore 159545.

Members submitting questions are requested to state: (i) their full name; and (ii) the member's identification/ registration number, failing which the Company shall be entitled to regard the submission as invalid.

- (b) The Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the AGM and publish its response on the SGXNET. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.
- (c) Where substantial and relevant questions are unable to be answered prior to the AGM, the Company will address them at the AGM. The Company will publish the minutes as well as responses to the questions received for the AGM on the SGXNET and on the Company's corporate website within one (1) month after the date of the AGM.

# NOTICE OF ANNUAL GENERAL MEETING

## PERSONAL DATA PRIVACY

By submitting (a) an instrument appointing the proxy(ies) to attend, speak and vote at the AGM and/or any adjournment thereof, (b) details for the registration to observe the proceedings of the AGM, or (c) submitting any question prior to the AGM in accordance with this Notice of AGM, a Shareholder consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents, advisers or service providers, as the case may be) for the following purposes:

- (i) processing and administration by the Company (or its agents, advisers or service providers) of proxy forms for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the AGM and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from members received before the AGM related to the resolutions to be tabled for approval at the AGM and if necessary, following up with the relevant members in relation to such questions; and
- (iv) enabling the Company (or its agents, advisers or service providers, as the case may be) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

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 of the AGM. Accordingly, the personal data of a Shareholder (such as name, presence at the AGM and any questions raised or motions proposed/seconded) may be recorded by the Company for such purpose.

**SOUTHERN ARCHIPELAGO LTD.**

(Company Registration No.: 199302554G)  
(Incorporated in the Republic of Singapore)

**PROXY FORM  
ANNUAL GENERAL MEETING****IMPORTANT:**

1. The 2025 Annual General Meeting of SOUTHERN ARCHIPELAGO LTD. (the "Company") ("AGM" or the "Meeting") will be held physically on Thursday, 24 April 2025 at Level 2 Room Nautica III Republic of Singapore Yacht Club 52 West Coast Ferry Road Singapore 126887 at 10.00 a.m. There will be no option for members to participate virtually.
2. Investors (including CPF and SRS investors) who wish to vote should approach their relevant intermediaries (including CPF Agent Banks or SRS Operators) as soon as possible to submit their voting instructions by Monday, 14 April 2025, 10.00 a.m., being at least seven (7) working days before the AGM.
3. Please read the notes overleaf which contain instructions on, inter alia, the appointment of proxy(ies) by members.

\*I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport/Co. Reg. No.)  
of \_\_\_\_\_ (Address)  
being a \*member/members of **SOUTHERN ARCHIPELAGO LTD.** (the "**Company**"), hereby appoint –

Name	Email Address	NRIC / Passport / Co. Reg. No.	Proportion of Shareholdings (%)

\*and/or

Name	Email Address	NRIC / Passport / Co. Reg. No.	Proportion of Shareholdings (%)

or failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting ("AGM") as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the AGM of the Company to be held at Level 2 Room Nautica III Republic of Singapore Yacht Club 52 West Coast Ferry Road Singapore 126887 on Thursday, 24 April 2025 at 10.00 a.m. (Singapore Time) and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against, or to abstain from voting on, the resolutions to be 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 appointment of a proxy will be treated as invalid.**

All resolutions put to the vote at the AGM shall be decided by way of poll. If you wish to exercise all your votes "For" or "Against", or "Abstain" the relevant Resolutions, please mark an "X" in the appropriate box provided. Alternatively, please indicate the number of votes "For" or "Against", or "Abstain" each Resolution in the boxes provided as appropriate. If you mark an "X" in the abstain box for a particular Resolution, you are directing your proxy, not to vote on that Resolution.

No.	Ordinary Business	For	Against	Abstain
1.	Adoption of the Audited Financial Statements for the financial year ended 31 December 2024 together with the Directors' Statement and the Auditor's Report thereon.			
2.	Approval of payment of Directors' fees of S\$103,500 for the financial year ending 31 December 2025, payable quarterly in arrears.			
3.	Re-election of Mr. Siaw Lu Howe as a Director of the Company.			
4.	Re-election of Mr. John Lee Yow Meng as a Director of the Company.			
5.	Re-appointment of Messrs PKF-CAP LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.			
6.	Authority to Allot and Issue Shares.			

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025

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

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

\* Delete where inapplicable

**IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM**



**NOTES:**

1. Please insert the total number of shares in the capital of the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the 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, this proxy form shall be deemed to relate to all the Shares registered in your name(s).
2. A member is entitled to appoint not more than two (2) proxies or appoint the Chairman of the AGM as his/her/their proxy to attend, speak and vote on his/her/their behalf at the AGM. A proxy need not be a member of the Company.
3. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.  
"Relevant Intermediary" shall have the meaning ascribed to it in Section 181 of the Companies Act:
  - a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - b) a person holding a capital markets services licence holder to provide under the Securities and Futures Act and who holds shares in that capacity; and
  - c) CPF Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under the Central Provident Fund Act 1953 of Singapore providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.Please note that if any of your shareholdings are not specified in the list provided by the Relevant intermediary to the Company, the Company may in its sole discretion disallow the appointment of the said proxy at the AGM.
4. In appointing the proxy(ies), a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid. Where such member's proxy form appoints more than one (1) proxy, the proportion of the shareholder concerned to be represented by each proxy shall be specified in the instrument.

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Affix  
Postage  
Stamp

**Tricor Barbinder Share Registration Services**  
9 Raffles Place  
#26-01 Republic Plaza  
Singapore 048619

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5. The instrument appointing the proxy(ies), together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must:
  - (a) If sent personally or by post, be lodged at the office of Tricor Barbinder Share Registration Services at 9 Raffles Place #26 – 01 Republic Plaza Singapore 048619; or
  - (b) If submitted by email, be received by [sg.is.proxy@vistra.com](mailto:sg.is.proxy@vistra.com)in either case, by 21 April 2025 at 10:00 a.m., being not less than seventy-two (72) hours before the time appointed for holding the AGM (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid. Shareholders are strongly encouraged to submit completed proxy forms electronically via email.
6. This proxy form must be under the hand of the appointor or on his/her/their attorney duly authorised in writing. Where this proxy form is executed by a corporation, it must be executed either under its common seal (or otherwise in accordance with its constitution) or under the hand of their attorney or officer duly authorised. The dispensation of the use of common seal pursuant to the Companies Act 1967 of Singapore is applicable at the AGM.
7. For investors who hold Shares through relevant intermediaries, including CPF and SRS investors, this proxy form is not valid for their use and shall be ineffective for all intents and purposes if used or purported to be used by them. Investors who wish to appoint the proxy(ies) should contact their relevant intermediaries (which would include, in the case of CPF and SRS investors, their respective CPF Agent Banks and SRS Operators) to submit their voting instructions at least seven (7) working days before the AGM, that is by 14 April 2025 at 10:00 a.m.

**GENERAL**

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

**PERSONAL DATA PRIVACY**

By submitting this proxy form, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 9 April 2025.



**SOUTHERN ARCHIPELAGO LTD.**

Company Registration No.199302554G

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