LEVERAGING INNOVATION
DEVELOPING POTENTIAL

Tai Sin Electric Limited
Annual Report 2024

DYNAMIC INNOVATION
STRATEGIC EXPANSION

As we continue to forge ahead in our journey as an integrated industrial group, we have been firm in our vision of transformation, embracing innovation and technology to strengthen our foundations and better serve our clients. Our commitment to continual advancement has empowered us to venture confidently and strategically into the next phase of sustainable growth.

MISSION

We are committed in contributing to a safer tomorrow through our products and services. We believe in sustainable development for our business and people, while protecting the environment and contributing to society.

VISION

To be a leading Industrial Group that contributes to a safer tomorrow.

CORE VALUES

Integrity
We treasure loyalty, uphold honesty, and practise good business ethics.

Reliability
We uphold service excellence, take pride in our product quality and ensure commitments are duly fulfilled.

Unity
We embrace teamwork, harmony and mutual respect with our customers, suppliers, and employees.

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FINANCIAL STATEMENTS

BUSINESS **HIGHLIGHTS**

HDB SOLARNOVA PROGRAMME

The SolarNova programme is a collaborative initiative spearheaded by the Economic Development Board and the Housing & Development Board to expedite the deployment of solar photovoltaic (PV) systems across Singapore.

Project Type: Sustainable Energy

GROUP REVENUE

S$400.68m

↓ Decreased 4.99% from FY2023's S$421.73 million

GROSS PROFIT

S$66.43m

↓ Decreased 0.33% from FY2023's S$66.65 million

SHAREHOLDERS' FUND

S$206.88m

↑ Increased 1.01% from FY2023's S$204.81 million

EARNINGS PER SHARE

3.17¢

↓ Decreased 12.43% from FY2023's 3.62 cents

NET ASSET VALUE PER SHARE

44.95¢

↑ Increased 1.01% from FY2023's 44.50 cents

DIVIDEND PER ORDINARY SHARE

2.35¢

↑ Increased 0.0% from FY2023's 2.35 cents

TAI SIN
AT A GLANCE

We're More Than Cables

Tai Sin Electric Limited was established with the foresight and determination as a cable manufacturing business in 1980. Today, after over 44 years of strategic expansion and diversification, Tai Sin has emerged as a leading and trusted Industrial Group in Southeast Asia. Listed on the Stock Exchange of Singapore, SESDAQ in 1998, Tai Sin was subsequently transferred to the SGX Main Board in 2005.

Presently known as Tai Sin Electric Limited Group of Companies, the business is streamlined into four Business Segments, namely Cable & Wire ("C&W"), Electrical Material Distribution ("EMD"), Test & Inspection ("T&I") and Switchboard ("SB"). These segments are well designed to meet the specific needs of our diverse customers ranging from end-users to contractors, manufacturers, system integrators, engineers and consultants. The business mix of the segments has allowed the Group to continue to achieve growth during difficult times.

The Group operates a highly successful network distributing electrical and control products, accessories and solutions to a wide range of local and regional industries which includes Malaysia, Vietnam, Brunei, Indonesia and Cambodia.

CLIENT FOCUS

We deliver additional values beyond our solutions by understanding our clients' needs

ENVIRONMENTALLY FRIENDLY

We believe in sustainability for the environment and our business, and are commited to the green economy

PEOPLE-CENTER

We believe in the well-being and welfare of our employees as our people are our most important assets

SPECIALISED EXPERTISE

Our relentless focus on providing a comprehensive range of reliable power distribution solution

QUALITY ASSURED

We assure the quality of our products through the compliance with various quality standards in our work processes

TAI SIN **NETWORK**

17
COMPANIES ACROSS SOUTHEAST ASIA

27
OFFICES

6
COUNTRIES

TAI SIN **SUSTAINABILITY LIVING PLAN**

SAFER TOMORROW

BUILDING A SUSTAINABLE TOMORROW

ENVIRONMENT

SOCIAL

GOVERNANCE

PRODUCTS THAT PROVIDE SAFETY

Our diverse range of products are in line with our strengths in providing reliability in areas of electrical and industrial safety protection. Products such as fire resistant cables, molded circuit breakers, safety sensors and personal protection equipment uphold the highest practical standards for our customers' use.

PRODUCTS THAT ARE SAFE TO USE

We are committed to making sure our products meet the highest standards for safety and quality through our stringent manufacturing process. We also ensure that all other products we represent come from a reliable and reputable source, and comply with international quality and safety regulations.

SERVICES THAT PROVIDE SAFETY

Our test and inspection service provides reliable and accurate testing, an integral part in ensuring that the condition of the facilities will be safe for use by both businesses and the public.

BUSINESS SEGMENTS

Tai Sin is structured into four interlinked business segments – Cable & Wire, Electrical Material Distribution, Test & Inspection and Switchboard. The Group is able to leverage the combined core competencies and expanding capabilities of each business segment to deliver a focused collective solution to its customers.

CABLE & WIRE ("C&W")

This segment designs, develops, manufactures and trades electrical power distribution products. Products include Power, Control, Instrumentation, Fire Resistant, Flame Retardant Cables and Branch Cable Systems, which are used in all areas of electrical and instrumentation installation for commercial, residential, industrial and infrastructure projects.

- Tai Sin Electric Limited
- Tai Sin Electric Cables (Malaysia) Sdn Bhd
- Tai Sin Electric Cables (VN) Co Ltd
- Lim Kim Hai Electric (VN) Co Ltd
- Nishi Densen Sdn Bhd

TEST & INSPECTION ("T&I")

This segment provides accredited testing services for materials ranging from concrete to soil and asphalt premixes. Service includes independent testing, inspection and certification that meets local and international standards.

- CAST Laboratories Pte Ltd
- CASTconsult Sdn Bhd
- PT CAST Laboratories Indonesia
- CAST Laboratories (Cambodia) Co Ltd

ELECTRICAL MATERIAL DISTRIBUTION ("EMD")

This segment supplies products and services to a wide range of industries which includes industrial automation and maintenance, repair & operations (MRO). Products include industrial control system and components, sensing, measurement and monitoring system, power quality system, safety, cabling and electrical accessories, as well as lighting and energy monitoring solutions. This segment also designs and produce Busbar Trunking Systems use for electrical power distribution for installation in commercial, industrial and infrastructure projects.

- Lim Kim Hai Electric Co (S) Pte Ltd
- LKH Precicon Pte Ltd
- LKH Projects Distribution Pte Ltd
- Tai Sin Power Distribution Pte Ltd
- ElectGo Pte Ltd
- LKH Electric (M) Sdn Bhd

SWITCHBOARD ("SB")

This segment designs and manufactures high quality switchgears for use in large buildings and industrial installations. Products include low voltage main and sub switchboards, distribution boards and control panels, amongst others.

- PKS Sdn Bhd

FINANCIAL **HIGHLIGHTS**

TURNOVER
(S$M)

400.68 m

Decreased 4.99%

2024	400.68
2023	421.73
2022	379.05
2021	298.44
2020	276.41

PROFIT BEFORE INCOME TAX
(S$M)

20.43 m

Decreased 4.49%

2024	20.43
2023	21.39
2022	27.28
2021	21.32
2020	12.41

SHAREHOLDERS' FUNDS
(S$M)

206.88 m

Increased 1.01%

2024	206.88
2023	204.81
2022	201.69
2021	190.24
2020	180.50

NET ASSET VALUE PER SHARE
(cents)

44.95 ¢

Increased 1.01%

2024	44.95
2023	44.50
2022	43.82
2021	41.33
2020	39.20

EARNINGS PER SHARE
(cents)

3.17 ¢

Decreased 12.43%

2024	3.17
2023	3.62
2022	4.78
2021	3.75
2020	2.14

CHAIRMAN'S STATEMENT

GROUP REVENUE ($M)

400.68 m

Decreased 4.99%
from FY2023's $421.73 Million

GROSS PROFIT ($M)

66.43 m

Decreased 0.33%
from FY2023's $66.65 Million

To appreciate our shareholders for your unwavering confidence and trust, the Board would like to recommend a final dividend of 1.6 cent per ordinary share. Subject to shareholders' approval at our upcoming annual general meeting scheduled on 29 October 2024.

DEAR SHAREHOLDERS,

Rising geopolitical risks and volatile business conditions continued to have a profound impact on the global economy as businesses grappled with elevated interest rates and inflationary pressures during the financial year ended 30 June 2024 ("FY2024").

Despite the macroeconomic headwinds, the shift to sustainability remains unabated with the rapid development in electrification unlocking business opportunities for the Group. The proliferation of data-driven technologies such as generative artificial intelligence and machine learning has also propelled the surge in demand for data centres. These key trends could accelerate the rise of the digital economy and create additional growth pathways for the Group.

In this regard, the Group has sharpened our core competencies through strategic innovation and operational excellence to remain competitive and create value for our clients.

Group revenue decreased 4.99% from $421.73 million in the financial year ended 30 June 2023 ("FY2023") to $400.68 million in the year under review with lower contributions from the Cable & Wire ("C&W"), Electrical Material Distribution ("EMD") and Switchboard ("SB") segments. The upturn in the private construction sector in Malaysia and Vietnam as well as higher volumes for non-destructive testing services in the region helped to cushion the impact of the cyclical slowdown in the global semiconductor industry on the overall performance of the Group.

Gross profit decreased marginally from $66.65 million in the previous financial year to $66.43 million in FY2024. However, gross profit margin improved from 15.81% to 16.58%. This was mainly due to the higher margins realised in the C&W and Test and Inspection ("T&I") segment.

Other operating income increased from $5.00 million to $5.49 million mainly due to the higher foreign exchange gain and higher scrap sales, partially offset by the absence of allowances for doubtful debts written back and the fair value gain on derivative financial instruments ("DFI") that were recorded in FY2023.

Selling and distribution decreased to $23.02 million due to lower staff and business operation costs, which was in tandem with lower revenue. Administrative expenses increased to $22.46 million mainly due to higher depreciation charges as well as increase in both staff remuneration and expenditure on information technology.

CHAIRMAN'S STATEMENT

Other operating expenses increased to $4.28 million mainly due to the net impact of fair value loss on DFI recorded in FY2024, reversing from the fair value gain on DFI recorded in FY2023 as well as loss allowance for trade receivables. In addition, other operating expenses included an impairment loss on property, plant and equipment amounting to $0.89 million and impairment loss on right-of-use assets in Cambodia amounting to $1.43 million.

Finance costs increased to $2.26 million mainly due to increase in borrowings and higher interest rates on short-term bank loans.

Share of profit of associates increased mainly due to higher profits reported by the Nylect Group during the year under review.

As a result of the above, the Group's profit attributable to shareholders decreased to $14.60 million in FY2024.

To appreciate our shareholders for your unwavering confidence and trust, the Board would like to recommend a final dividend of 1.6 cent per ordinary share. Subject to shareholders' approval at our upcoming annual general meeting scheduled on 29 October 2024, the dividend is expected to be paid out to shareholders on or around 13 November 2024. This will bring the total cash dividend payout for FY2024 to 2.35 cent per ordinary share.

The Board would like to express our heartfelt thanks to Mr Soon Boon Siong, our lead Independent Director, and Mr Lee Fang Wen, for their invaluable contributions and guidance during their respective terms as Non-Executive and Independent Directors since 2012 and 2015. They will be stepping down from the Board at the conclusion of our upcoming annual general meeting to facilitate and support the renewal of the Board. The Group has benefited from their wise counsel and we wish them well in their future endeavours.

Finally, I would like to extend our sincere appreciation to our network of customers, business partners and loyal shareholders for their unflinching support. I would also like to commend our stalwart management team and staff for their dedication and tenacity in the face of the difficult business environment. The Group remains resolute in our commitment to create enduring value for our stakeholders. I believe that we are well positioned to build on our established operating track record to deliver sustainable shareholder value for the Group in the years ahead.

On behalf of the Board of Directors, we thank you and look forward to your continued trust and steadfast support.

Bobby Lim Chye Huat
Chairman

TUAS MEGA PORT

Set to become the world's largest fully automated terminal upon completion. Tuas Megaport will feature state-of-the-art technology, including automated guided vehicles and smart port systems.

Project Type: Seaport

HYUNDAI INNOVATION CENTRE

Situated in the Jurong Innovation District, this hub serves as Hyundai Motor Group's open innovation lab and hosts a dynamic network of researchers, technology experts, training providers, and a factory of the future.

Project Type: Industrial

FERNVALE COMMUNITY CLUB

A five-storey integrated development offering a variety of social and communal facilities. This award winning inclusive lifestyle hub is designed to benefit the local community.

Project Type: Civic & Community Institution

REPORT BY THE
CHIEF EXECUTIVE OFFICER

THOMSON-EAST COAST MRT LINE

The newest operational line of Singapore's Mass Rapid Transit system. When fully completed, the line will serve 32 stations and run approximately 43 kilometres in length.

Project Type: Transportation

WOODLANDS HEALTH CAMPUS

A comprehensive healthcare facility that includes a general hospital, community hospital, nursing home, and specialist outpatient clinics.

Project Type: Health & Medical Care Institution

The financial year ended 30 June 2024 ("FY2024") witnessed the rise of global macroeconomic uncertainty amidst growing geopolitical conflicts and tight financial conditions. Despite the tepid business environment, the Group's proactive measures and prudent financial management has positioned us to navigate these challenges on firm footing. This is testament to the team's resilience and commitment to forge ahead even under exacting circumstances.

For the year under review, our C&W segment's revenue decreased by 3.17% from $280.23 million in the financial year ended 30 June 2023 ("FY2023") to $271.35 million in FY2024. The decline in revenue was due mainly to the completion of deliveries for certain private sector construction projects in Singapore. In contrast, our Malaysia and Vietnam markets reported higher sales volume, primarily driven by growth in the private sector construction activities. However, the growth in our Malaysia and Vietnam markets could only partially offset the decline in sales from our Singapore market.

Our EMD segment reported a decline in revenue from $108.36 million in FY2023 to $95.06 million in FY2024, mainly due to a significant reduction in revenue from the Electronics cluster amidst the global electronics downturn as well as lower revenue contributions from the Chemical, Oil and Gas cluster. This was partially offset by higher revenue from the Building and Infrastructure cluster, driven by higher deliveries to data centres.

Revenue from our T&I segment increased from $28.49 million in FY2023 to $29.71 million in FY2024. The increase was mainly due to higher revenue from the non-destructive testing ("NDT") activities as more contracts were secured and executed in Singapore, Malaysia and Indonesia.

Meanwhile, revenue from our SB segment declined from $4.65 million in FY2023 to $4.55 million in the year under review due to fewer government projects in Brunei.

REPORT BY THE CHIEF EXECUTIVE OFFICER

The Group is poised to benefit from the structural growth trends of digitalisation and decarbonisation. We are constantly striving to stay ahead of the curve to augment our suite of products and services to support our clients in their sustainability journey.

POSITIONING FOR SUSTAINABLE GROWTH

The Group is poised to benefit from the structural growth trends of digitalisation and decarbonisation. We are constantly striving to stay ahead of the curve to augment our suite of products and services to support our clients in their sustainability journey.

Our C&W segment is able to leverage its manufacturing capabilities and wide array of cable and wire products to support the buildout of infrastructure projects in Singapore, Malaysia and Vietnam. This is underpinned by the growing market for data centres as demand surges for cloud computing and artificial intelligence, as well as the slew of public and private construction projects in the commercial, residential and industrial sectors in the region.

Notwithstanding the cyclical semiconductor downturn and rising cost pressures, our EMD segment remains committed to partner with our clients by offering tailored solutions to support their digital transformation. In addition, our early foothold in the electric vehicle value chain has allowed us to glean unique insights to support our customers as they embark on energy transition in the green economy.

Further, our T&I segment's regional expansion is starting to bear fruit. This is reflected in several contract wins in the renewables, energy and mining sectors with projects currently being executed in Batam, Java and East Indonesia.

OUTLOOK

The intensification of international trade conflicts could moderate business sentiment and weigh on the global economy. The International Monetary Fund ("IMF") projected that global economic growth would ease from growth of 3.3% in 2023 to 3.2% in 2024. Accordingly, Singapore's Ministry of Trade and Industry ("MTI") has tapered its Gross Domestic Product ("GDP") growth forecast for 2024 to "2.0 – 3.0 per cent".

The recent market volatility and ongoing geopolitical tensions are expected to weigh on the global economy. While inflationary pressures may have stabilised and interest rates are expected to ease, the Group continues to be vigilant and remains nimble to navigate through the challenging business environment.

Notwithstanding these headwinds, the Group continues to proactively manage the ongoing price tension arising from the fluctuating copper prices as well as supply chain pressures.

Operational excellence remains a key focus. The Group will continue to execute its strategy and is constantly on the lookout for suitable business opportunities to drive sustainable growth in Southeast Asia, capitalising on resilient domestic demand underpinned by the continued development of digital infrastructure and the burgeoning green economy.

Looking ahead, it is imperative that we remain agile to adapt and thrive in the evolving business landscape. The Group will remain focused in implementing our strategic blueprint and harnessing our operational expertise to achieve sustainable growth in the years to come.

Lim Boon Hock Bernard
Chief Executive Officer

BOARD OF DIRECTORS

LIM CHYE HUAT @ BOBBY LIM CHYE HUAT

PBM BBM KStJ
Chairman, Non-Executive and Non-Independent Director

Date of Appointment as Director
- May 1997 as Director
- October 1997 as Managing Director
- July 2013 as Executive Director
- July 2016 as Non-Executive and Non-Independent Director
- November 2018 as Non-Executive and Non-Independent Chairman

Date of last re-election as a Director
- 25 October 2023

Length of Service as Director
- 27 years

Board Committee Served On
- Audit and Risk Committee (Member)
- Nominating Committee (Member)
- Remuneration Committee (Member)

Academic & Professional Qualifications
- Honorary Fellow of Singapore Institute of Engineering Technologies
- Fellow of the Chartered Management Institute, United Kingdom

Present Directorships in Listed Companies
- Non-Executive and Independent Director, Hubline Berhad

Past Directorships in Listed Companies Over the Preceding Three Years
- Nil

Others
- Advisor of National St John Council
- Patron of Toa Payoh East - Novena Citizens' Consultative Committee
- Managing Director of Lim Kim Hai Electric Co (S) Pte Ltd from 1972 to 1997
- Former Chairman of National St John Council
- Former Chairman and Supervisor of The LightHouse School (Singapore School for The Visually Handicapped)

LIM BOON HOCK BERNARD

Chief Executive Officer / Executive Director

Date of Appointment as Director
- September 1997 as Executive Director
- June 2003 as Chief Operating Officer
- July 2013 as Chief Executive Officer

Date of last re-election as a Director
- 31 October 2022

Length of Service as Director
- 27 years

Board Committee Served On
- Nil

Academic & Professional Qualifications
- Bachelor of Arts (Social Sciences), Curtin University of Technology, Perth, Western Australia
- Master of Business Administration, University of Strathclyde, United Kingdom

Present Directorships in Listed Companies
- Nil

Past Directorships in Listed Companies Over the Preceding Three Years
- Nil

Others
- Council Member (Singapore Manufacturing Federation [SMF])
- Chairman of the Advance Manufacturing Training Academy [AMTA]
- Member of the Human Capital Action Committee (Singapore Business Federation [SBF])
- Advisory Board Member (Singapore Institute of Purchasing and Materials Management [SIPMM])
- Member of the Electrical & Electronic Standards Committee (Singapore Standards Council)

BOARD OF DIRECTORS

SOON BOON SIONG

Non-Executive and Lead Independent Director

Date of Appointment as Director
- November 2012 as Non-Executive and Independent Director
- November 2018 as Non-Executive and Lead Independent Director

Date of last re-election as a Director
- 29 October 2021

Length of Service as Director
- 12 years@

Board Committee Served On
- Audit and Risk Committee (Chairman)
- Nominating Committee (Member)
- Remuneration Committee (Member)

Academic & Professional Qualifications
- Degree in Business Administration, University of Singapore

Present Directorships in Listed Companies
- Nil

Past Directorships in Listed Companies Over the Preceding Three Years
- Nil

Others
- Managing Director – Corporate Finance of Crowe Horwath Capital Pte Ltd (previously known as Partners Capital (Singapore) Pte Ltd)

LEE FANG WEN

Non-Executive and Independent Director

Date of Appointment as Director
- July 2015 as Non-Executive and Independent Director

Date of last re-election as a Director
- 25 October 2023

Length of Service as Director
- 9 years^

Board Committee Served On
- Audit and Risk Committee (Member)
- Nominating Committee (Member)
- Remuneration Committee (Chairman)

Academic & Professional Qualifications
- Bachelor of Engineering, Chemical, National University of Singapore

Present Directorships in Listed Companies
- Independent Director, Sincap Group Limited

Past Directorships in Listed Companies Over the Preceding Three Years
- Nil

Others
- Executive Director – Creative Master Bermuda Limited from 2013 to 2014
- Business Development Director – MFS Technology (S) Pte Ltd from 2002 to 2005 & 2007 to 2009

@ To retire on 29 October 2024 with effect from the conclusion of 2024 Annual General Meeting

^ To step down on 29 October 2024 with effect from the conclusion of 2024 Annual General Meeting

BOARD OF DIRECTORS

RENNY YEO AH KIANG

PBM BBM
Non-Executive and Independent Director

Date of Appointment as Director
- July 2018 as Non-Executive and Independent Director

Date of last re-election as a Director
- 31 October 2022

Length of Service as Director
- 6 years

Board Committee Served On
- Audit and Risk Committee (Member)
- Nominating Committee (Chairman)
- Remuneration Committee (Member)

Academic & Professional Qualifications
- Higher National Diploma (HND) in Electrical & Electronic Engineering, Southampton College of Technology, United Kingdom
- Master in Management (MBA), Asia Institute of Management, Philippines

Present Directorships in Listed Companies
- Independent Director, Zicom Group Limited, Australia

Past Directorships in Listed Companies Over the Preceding Three Years
Nil

Others
- Independent Director of Zicom Holdings Pte Ltd
- Former Emeritus President of Singapore Manufacturers' Federation
- Former Chairman of The Singapore Accreditation Council
- Former Board Member of Enterprise Singapore
- Former Advisor of Electrical & Electronic Product Standards Committee (Enterprise Singapore)
- Former Executive Chairman & Director of Draka Cableteq Asia Pacific Holdings Pte Ltd and its subsidiaries
- Former Board Member of Building and Construction Authority
- Former Board Member of the Singapore Green Building Council
- Former President of the Singapore National Committee (SNC) of The International Electrotechnical Commission [SNC(IEC)]
- Former Member of the Standard Council (SPRING)
- Former Chairman of Electrical & Product Standards Committee (SPRING)
- Former President and Board of Governors of Singapore Manufacturers' Federation

BOARD OF DIRECTORS

SEOW BOON TENG

Non-Executive and Independent Director

Date of Appointment as Director
- January 2023 as Non-Executive and Independent Director

Date of last re-election as a Director
- 25 October 2023

Length of Service as Director
- 1 year

Board Committee Served On
- Audit and Risk Committee (Member)*
- Nominating Committee (Member)*
- Remuneration Committee (Member)*

Academic & Professional Qualifications
- Bachelor of Science (Merit), National University of Singapore
- Master of Business Administration, Nanyang Technological University, Singapore

Present Directorships in Listed Companies
- Nil

Past Directorships in Listed Companies Over the Preceding Three Years
- Nil

Others
- Group Executive Director of Watson EP Industries Pte Ltd
- Chairman of NEA Energy Efficiency National Partnership (EENP) Awards Judging Panel - Outstanding SME of the Year Category (2022, 2023)
- Chairperson of 46th Management Corporation, MCST strata title 262
- Committee Member to Vice Chair, Business Leaders Alumni Club
- Council Member of Singapore Precision Engineering and Technology Association [SPETA]
- Committee Member of Manufacturing Standards Committee (Enterprise Singapore)
- Member of Singapore Institute of Directors
- School of Engineering Advisory Committee member, Nanyang Polytechnic
- Former Council Member of Singapore Accreditation Council (Enterprise Singapore)
- Former Committee Member of Digitalisation Committee (Singapore Business Federation [SBF])
- Former Chairperson of Electrical, Electronic & Allied Industries Industry Group (Singapore Manufacturing Federation [SMF])
- Former Assessor for COVID-19 (Temporary Measures) Act 2020 (Appointed by Ministry of Law, Singapore)

* *appointed on 1 July 2023*

MANAGEMENT TEAM

CORPORATE

Lim Boon Hock Bernard, BA MBA
Chief Executive Officer;
Tai Sin Electric Limited
Join Since: 1997

Tan Yong Hwa, MBA FCA FCCA
Chief Financial Officer;
Tai Sin Electric Limited
Join Since: 2006

Gerald Cheng Kai Yong, BEng (Hons)
Head of Group Human Resources;
Tai Sin Electric Limited
Deputy General Manager;
Lim Kim Hai Electric Co (S) Pte Ltd
Join Since: 2002

CABLE & WIRE ("C&W") SEGMENT

Lin Chen Mou
Executive Vice President;
Tai Sin Electric Limited
Join Since: 1983

Cha Poo Chun, FCCA CA
General Manager – Operations;
Tai Sin Electric Limited
Join Since: 2006

Yap Kong Fui, BSc
General Manager –
Group Manufacturing;
Tai Sin Electric Limited
Join Since: 2006

Lee Choon Mui Patricia, MAcc
General Manager;
Tai Sin Electric Cables (Malaysia) Sdn Bhd
Director;
Nishi Densen Sdn Bhd
Join Since: 1998

Teh Choon Kong
General Director;
Tai Sin Electric Cables (VN) Co Ltd
Deputy General Director;
Lim Kim Hai Electric (VN) Co Ltd
Join Since: 2003

Sin Tuyet Mai, MBA
General Director;
Lim Kim Hai Electric (VN) Co Ltd
Deputy General Director –
Sales & Marketing;
Tai Sin Electric Cables (VN) Co Ltd
Join Since: 2004

Khoo Nee Tun
Plant Manager;
Nishi Densen Sdn Bhd
Join Since: 2003

ELECTRICAL MATERIAL DISTRIBUTION ("EMD") SEGMENT

Ong Wee Heng, MBA MPA
Chief Executive Officer;
Lim Kim Hai Electric Co (S) Pte Ltd
Join Since: 1979

Francis Pan Thiam Sing, BA
General Manager;
Lim Kim Hai Electric Co (S) Pte Ltd
Join Since: 2009

Joyce Tan Say Cheng
General Manager;
LKH Precicon Pte Ltd
Join Since: 1987

Daniel Poon Kwang Poo
General Manager;
LKH Projects Distribution Pte Ltd
Join Since: 1980

Aaron Lee Jianxian, BEng (Hons)
General Manager;
Tai Sin Power Distribution Pte Ltd
Deputy General Manager
LKH Projects Distribution Pte Ltd
Join Since: 2011

Shirline Tan Say Chian
General Manager;
ElectGo Pte Ltd
Senior Manager - Operations;
LKH Precicon Pte Ltd
Join Since: 1991

TEST & INSPECTION ("T&I") SEGMENT

Lim Eng Heng, BEng
Chief Executive Officer;
CAST Laboratories Pte Ltd
Join Since: 1991

Lim Boon Hoh Benedict, BEng
General Manager – Operations;
CAST Laboratories Pte Ltd
Join Since: 2015

Tan Bee Yong, BA CA FCCA
General Manager – Finance & Accounts;
CAST Laboratories Pte Ltd
Join Since: 2010

Mohd Nizam B. Mohd Yusof
Director;
CASTconsult Sdn Bhd
Join Since: 1989

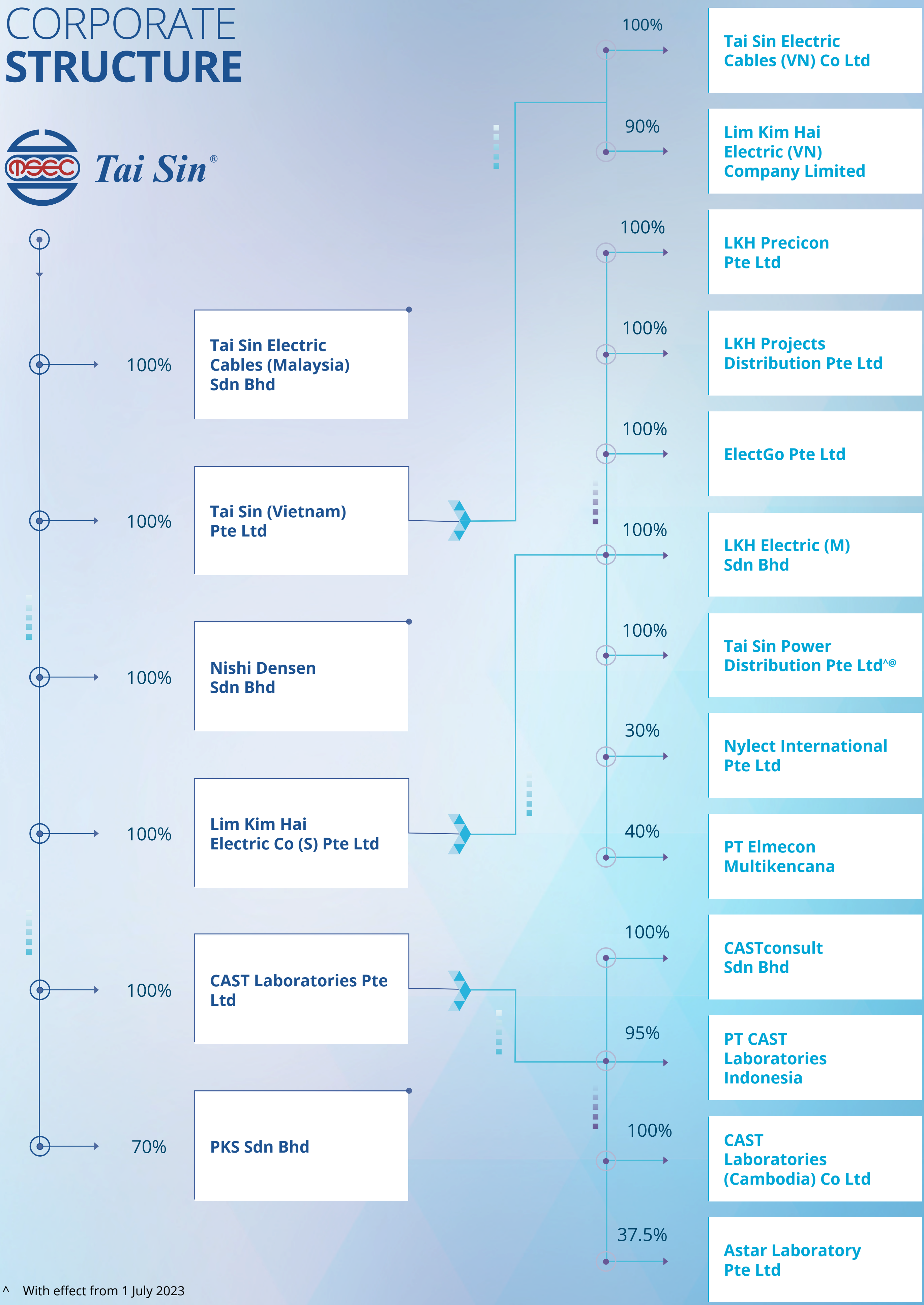
Dewi Yuliana, SH
General Manager;
PT CAST Laboratories Indonesia
Join Since: 2009

SWITCHBOARD ("SB") SEGMENT

Ng Shu Goon Tony
Managing Director;
PKS Sdn Bhd
Join Since: 1989

Chang Chai Woon Michael
Executive Director;
PKS Sdn Bhd
Join Since: 1989

CORPORATE **STRUCTURE**



^ With effect from 1 July 2023
@ Previously held directly by Tai Sin Electric Limited

CORPORATE INFORMATION

BOARD OF DIRECTORS

Lim Chye Huat @ Bobby Lim Chye Huat
Chairman, Non-Executive and Non-Independent Director

Lim Boon Hock Bernard
Chief Executive Officer / Executive Director

Soon Boon Siong
Non-Executive and Lead Independent Director

Lee Fang Wen
Non-Executive and Independent Director

Renny Yeo Ah Kiang
Non-Executive and Independent Director

Seow Boon Teng
Non-Executive and Independent Director

AUDIT AND RISK COMMITTEE

Soon Boon Siong
Chairman

Lee Fang Wen
Renny Yeo Ah Kiang
Lim Chye Huat @ Bobby Lim Chye Huat
Seow Boon Teng*

NOMINATING COMMITTEE

Renny Yeo Ah Kiang
Chairman

Lee Fang Wen
Soon Boon Siong
Lim Chye Huat @ Bobby Lim Chye Huat
Seow Boon Teng*

REMUNERATION COMMITTEE

Lee Fang Wen
Chairman

Soon Boon Siong
Renny Yeo Ah Kiang
Lim Chye Huat @ Bobby Lim Chye Huat
Seow Boon Teng*

COMPANY SECRETARIES

Hazel Chia Luang Chew
Juliana Tan Beng Hwee

COMPANY REGISTRATION NUMBER

198000057W

REGISTERED OFFICE

24 Gul Crescent
Singapore 629531
Tel: 6672 9292
Fax: 6861 4084
Email: ir@taisin.com.sg

SHARE REGISTRARS & SHARE TRANSFER OFFICE

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

AUDITORS

Deloitte & Touche LLP
Public Accountants and Chartered Accountants
6 Shenton Way
#33-00 OUE Downtown 2
Singapore 068809
Partner-In-Charge:
Kong Lai San
Appointed for the year ended 30 June 2024

PRINCIPAL BANKERS

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

* *Appointed on 1 July 2023*

SUSTAINABILITY REPORT **FY2024**

CONTENTS

BOARD STATEMENT

This is Tai Sin's Electric Limited Group of Companies ("**the Group**") Sustainability Report covering our key operations in Singapore and complements our Annual Report, focusing on areas which are of concern to our stakeholders.

REPORTING PERIOD

This report is published annually and covers the same reporting period as the Financial Year ended 2024 ("**FY2024**"), from 1 July 2023 to 30 June 2024.

REPORTING FRAMEWORK

This Report is prepared with reference to the Global Reporting Initiative ("**GRI**") Standards as it provides an extensive framework that is widely accepted as a global standard for sustainability reporting. The Report also takes into account the latest GRI Universal Standards 2021, the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**") and the Singapore Exchange-ST Listing Rules **711A** and **711B**, Practice Note **7.6** Sustainability Reporting Guide.

OVERSIGHT

The Board oversees the management and monitoring of the economic, environmental, social and governance ("**EESG**") factors of the Group, and takes them into consideration in the determination of the Group's strategic direction and policies. They have oversight of the EESG material factors and ensure that the factors are relevant and current for the business. A complete perspective of the Group's performance, including environmental, social and economic factors, can be viewed together with our Annual Report, which provides details of our financial performance and our approach to corporate governance and risk management.

The Board also has oversight over targets and disclosures in line with Task Force on Climate-Related Financial Disclosures ("**TCFD**") recommendations. Though the Group is at the beginning of our climate-related financial disclosure journey, we are committed to incorporating further and in a phased manner, the climate change agenda into our strategy, decision-making and enterprise risk management approach. We recognise that this will prepare us for climate-related risks and identify opportunities that will contribute to organisational resilience. A qualitative exercise was conducted in FY2024 to identify and assess climate-related physical and transition risks, as well as corresponding opportunities. The Group plans to progressively disclose more information in future reports.

REPORT REVIEW

This Report provides us with a valuable opportunity to engage our stakeholders and respond to issues that matter most to them and to our business as we work to further focus and prioritise our sustainability and corporate social responsibility initiatives. Although external assurance has not been sought for this year's report, an internal review of our sustainability reporting processes (including key aspects of this Sustainability Report) was conducted by our outsourced internal auditor in FY2023. Going forward, the review will be carried out on a cycle basis, as part of their internal audit plan. Internally, we have relied on internal data monitoring and checks to ensure accuracy.

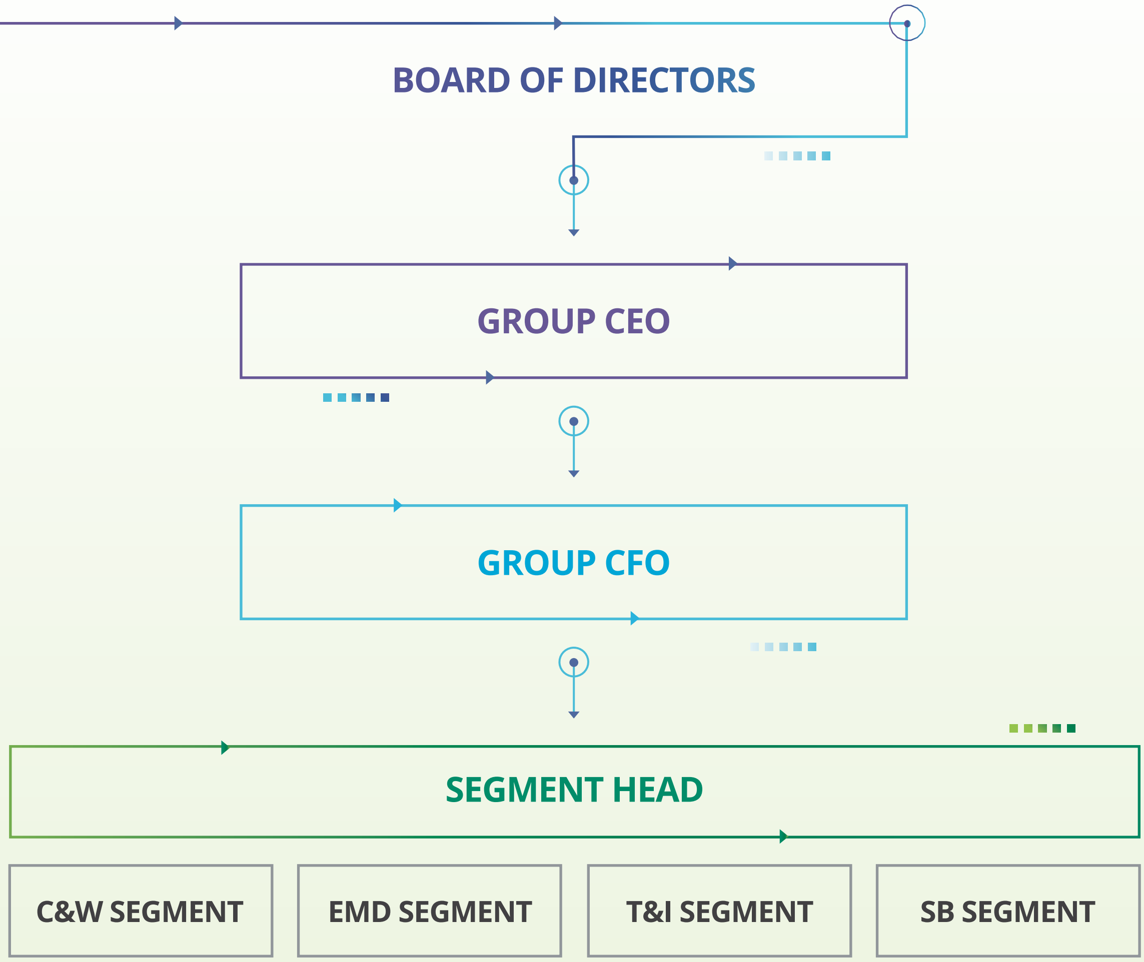
FEEDBACK

We welcome your views and feedback on our sustainability practices and reporting at ir@taisin.com.sg.

SUSTAINABILITY **GOVERNANCE**

The Board of Directors of Tai Sin is responsible for ensuring that sustainability is upheld throughout the organisation, and has oversight of all sustainability practices. It reviews all identified material EESG topics when considering strategic planning and development. Oversight is enhanced by a comprehensive governance framework and proactive risk management that is executed by the Sustainability Committee which is made up of Group CEO, Group CFO and business segment heads.

Head of the various business segments are responsible for the sustainability performance of their respective segments. They work closely with the general managers and senior managers in each business segment on the implementation, monitoring and review of sustainability data, identifying areas for improvements and addressing gaps, if any. The members work collaboratively to identify sustainability risks, opportunities, and goals, fostering a culture of sustainability throughout the organization.



OUR STAKEHOLDERS

We care about our stakeholders and recognise the need to continuously develop our business in a responsible manner. Our internal stakeholders include the Board, management and employees of the Group, whereas the external stakeholders include customers, strategic business partners, employees, regulatory authorities, shareholders, investors, suppliers and vendors. To better understand our stakeholder concerns, we conducted a stakeholder engagement exercise in FY2024 in which we sent a survey to our stakeholders which comprised of Board of Directors, Employees, Customers & Strategic Business Partners, Suppliers & Vendors. Based on the responses, we were able to enhance our understanding of the material topics that impact our stakeholders. An overview of our approach to engage the various stakeholder groups is shown in the table below (with stakeholders listed in alphabetical order), together with the channels we use to maintain dialogue with them.

STAKEHOLDERS	MODE OF ENGAGEMENT
CUSTOMERS AND STRATEGIC BUSINESS PARTNERS	• Direct feedbacks via sales channel engagement • Site visits to our production facilities • Assessment and audits performed by customers • Online survey
EMPLOYEES	• Employee's interactions (i.e., employee's survey, CEO dialogue) • Internal updates and communication • Events and functions • Online survey
REGULATORY AUTHORITIES	• Regular updates and communication • Reports and compliance • Periodical meetings with government bodies • Dialogue with government bodies
SHAREHOLDERS, INVESTORS MEDIA, AND ANALYSTS	• SGX Announcements • Shareholder's meeting • Annual reports • Company's website • Regular updates and communication
SUPPLIERS AND VENDORS	• Periodic supplier's assessment • Supplier's meetings • Online survey

OUR
MATERIAL TOPICS

These 3 pillars that have been formalised by our Sustainability Committee and approved by the Board, guide us in creating sustainable value for all our stakeholders.

In FY2024, we have conducted a review of our material topics to ensure their relevance to our business operations and also the topics which our stakeholders were most concerned with, based on our engagement with them. The material topics of FY2023 have been revalidated in this year's report and two additional material topics that have been included are Service Quality and Data Privacy. We are collecting more information and data with respect to these two material topics in order to report in subsequent years.

The material topics have been grouped under three (3) key Sustainability Focus Areas - Our Environmental Efforts, Our People and Governance and Economic Performance, as shown in the table below. These 3 pillars that have been formalised by our Sustainability Committee and approved by the Board, guide us in creating sustainable value for all our stakeholders. The relevant GRI Topic Specific Disclosure(s) used for reporting the performance of each identified material topic is also shown in the table below.

OUR ENVIRONMENTAL EFFORTS	OUR PEOPLE	GOVERNANCE AND ECONOMIC PERFORMANCE
By embracing sustainable practices, we aim to minimise resource consumption, reduce waste generation, and promote the responsible use of energy throughout our operations.	We believe that our greatest strength lies in our people. We are committed to fostering a diverse and inclusive workplace that values and respects individuals' contributions, experiences, and perspectives. We continuously invest in our employees' professional development, wellbeing, and safety, ensuring a supportive and empowering work environment.	We are dedicated to creating sustainable long-term value for our shareholders. Our Board upholds rigorous corporate governance principles, promotes shareholder engagement, and ensures transparent reporting and accountability.

SUSTAINABILITY FOCUS AREAS	MATERIAL TOPICS	GRI TOPIC SPECIFIC DISCLOSURE
Our Environmental Efforts	Energy	302-1
	Emissions	305-1, 305-2
	Water Use and Efficiency	303-1, 303-2, 303-3
Our People	Employment	401-1
	Training & Education	404-1
	Occupational Health and Safety	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9
	Diversity and Equal Opportunity	405-1
Governance and Economic Performance	Compliance with Laws and Regulations	2-27
	Anti-Corruption	205-3
	Anti-Competitive Behaviour	206-1
	Economic Performance	201-1

OUR ENVIRONMENTAL EFFORTS

The Group is committed to environmental stewardship and sustainability. We have implemented a comprehensive range of initiatives to minimize our ecological footprint and protect natural resources. Through resource efficiency measures, such as energy and water conservation, waste reduction, and recycling, we strive to optimise our operations and minimise our environmental impact. Currently, three of our sites in Singapore have achieved ISO 14001 certification - Tai Sin Electric Limited, Tai Sin Power Distribution Pte Ltd and CAST Laboratories Pte Ltd.

ENERGY AND EMISSIONS

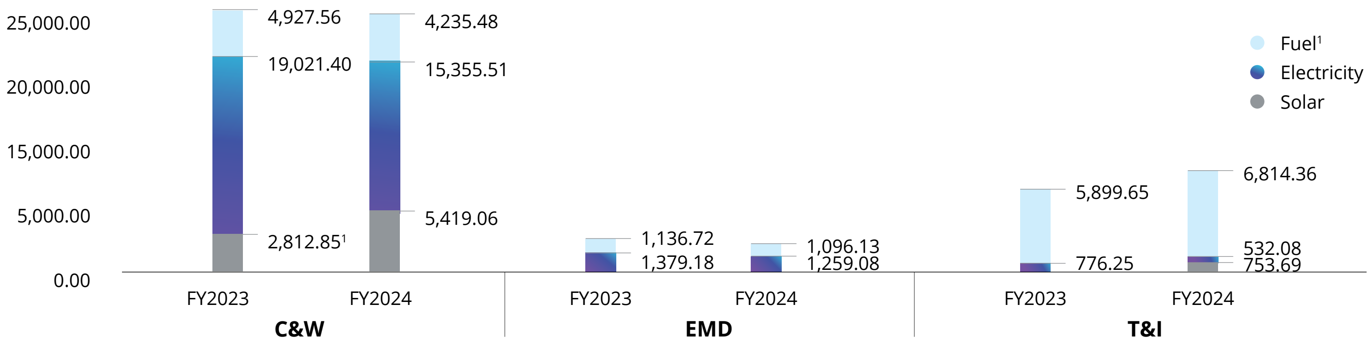
GRI 302-1 | GRI 305-1 | 305-2

We continuously seek ways to enhance energy efficiency across our operations. Through regular energy assessments, we identify areas for improvement and implement energy-saving technologies and practices. This includes upgrading to energy-efficient equipment, optimising processes, and promoting a culture of energy conservation among our employees. Through the above approaches, we aim to reduce our greenhouse gas emissions and mitigate climate change. We are also exploring the adoption of cleaner energy sources, such as renewable energy, where possible.

In FY2024, our total energy consumption from our Singapore operations amounted to 35,465 GJ (FY2023[1]: 35,954 GJ) The C&W segment contributed to 70% (FY2023[1]: 74% (or 26,762 GJ)) of the energy consumed, while the T&I and EMD segment contributed 23% (FY2023[1]: 19% (6,676 GJ)) and 7% (FY2023[1]: 7% (2,516 GJ)) respectively. The C&W segment is involved in energy intensive activities of cable manufacturing, production and distribution of high-quality low and medium voltage cables as well as branch cable systems to serve the infrastructure, commercial, residential and industrial sectors.

OUR
ENVIRONMENTAL EFFORTS

Energy Consumption by Segment (GJ)

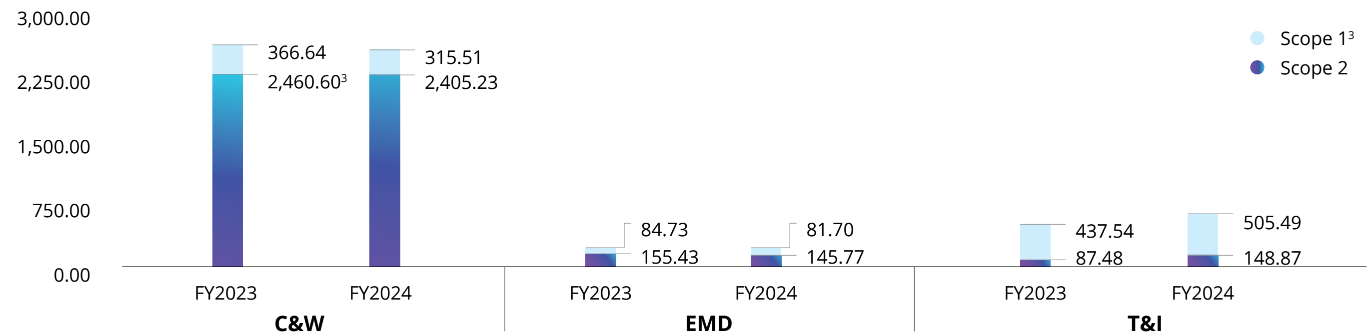


In line with TCFD recommendations, we embarked on a data collection process in FY2023 and we continue to track, monitor and report our Scope 1 and 2 greenhouse gas (GHG) emissions[2] from our Singapore operations.

Our Scope 1 and 2 emissions in FY2024 for the Singapore operations was a total of 3,603 tonnes (FY2023 : 3,592 tonnes) carbon dioxide equivalent (tCO_2e), which is a 0.3% year-on-year increase due to an operational rise in the use of fuel and electricity. C&W and T&I's activities contributed to approximately 91% of the Scope 1 emissions while C&W segment's manufacturing activities contributed to approximately 89% the Scope 2 emissions. Most of the Scope 1 emissions are from fuel use by vehicles for daily transportation and delivery from the office to client sites. As part of our overall strategy to reduce emissions, we will be moving away from internal combustion engine vans and new vans being purchased in the future would be electric vans.

We will continue to actively measure and monitor our energy consumption and GHG emissions, and aim to set reduction targets once we have a better understanding of our baseline emissions.

Scope 1 & 2 GHG Emission (tCO_2e)



1 Fuel figures for FY2023 have been restated to reflect the updated conversion factors in the latest GHG Protocol Emission Factors for Cross Sector Tools V2.0 (March 2024), compiled from 2006 IPCC Guidelines for National Greenhouse Gas Inventories Volume 2. Energy consumption figures for FY2023 have been restated as C&W's renewable energy use was not previously included.

2 Scope 1 emissions include the following GHG gases: CO_2, CH_4 and N_2O. All Scope 1 emissions reported are non-biogenic emissions. Source of conversion factors for energy and fuel are IPCC 2006. Scope 2 emissions are location-based GHG emissions and only include CO2; Singapore's grid emission factors were sourced from Energy Market Authority Grid Emission Factors. GWP values applied are based on Fifth Assessment Report (AR5). Consolidation approach was used for computing of GHG emissions.

3 Scope 1 figures for FY2023 have been restated to reflect the updated conversion factors in the latest GHG Protocol Emission Factors for Cross Sector Tools V2.0 (March 2024), compiled from 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2. Scope 2 figures for FY2023(C&W) have been restated as C&W's renewable energy use was not previously included.

OUR ENVIRONMENTAL EFFORTS

In preparation for climate related disclosures to be disclosed in this Report, the Group has started to identify climate related risk and opportunities, so that it can be integrated into the organization's overall risk management.

TASK FORCE FOR CLIMATE RELATED FINANCIAL DISCLOSURES (TCFD)

Climate change has impacted the world in recent years through rising sea levels, floods, erratic weather patterns, heat waves and in other ways that cause irreparable damage to facilities, sudden shocks in the supply chain, as well as decline in employee productivity.

Tai Sin is acutely aware of the impacts of global warming and the part that each business has to play in bringing it within limits. In preparation for climate related disclosures to be disclosed in this Report, the Group has started to identify climate related risk and opportunities, so that it can be integrated into the organization's overall risk management. Below is a summary of the climate risks and opportunities that have been identified by various Heads of business segments, and which we shall be prioritising in FY2025 to develop the necessary action plans.

TRANSITION AND PHYSICAL RISK

Transition Risk	Area	Climate Related Risk	Potential Financial Impacts of Risk
	Technology	Investments in cleaner production processes and adopting greener, lower emissions technology	Increase in capital costs and reduced profitability arising from the need to invest in cleaner production processes, technologies, supply chain, security and infrastructure. Challenges in timing and readiness of infrastructure for new technologies also add to cost. Increase in operating cost to switch to greener vehicles, and possible termination of existing leasing contracts and vehicle ownership. Replacement of our internal combustion engine vehicles to electric vehicles will result in increased in capital cost. Increased cost from new and upcoming technologies as they tend to cost higher with additional unforeseen operational cost (licence, repair, consumables) due to workers' inexperience.
	Market	Increased costs of raw materials	Increase in operational costs and reduced competitiveness from a rise in raw material costs due to raw material scarcity, multiplier effect of carbon tax and other effects of legislations on supply chain, and potential supply chain disruptions.
	Market	Uncertainty in market signals, market disruptions and supply chain challenges arising from climate risk compounded by economic downturns, market volatility and geopolitical tensions	A reduction in profitability that arises from increase in cost and/or reduction in revenue from customers who may face financial difficulties due to them facing additional operational or regulatory costs. Increase in operational cost from a slow and eventual rise of carbon tax which will raise energy usage cost. Increase in costs to meet various customer requests due to evolving non-standard frameworks. Costs will also escalate to educate customers to distinguish between real low carbon footprint product and those which are not.
	Policy & Legal	Sudden changes in government policies, stricter environmental regulations, carbon pricing mechanisms, towards reducing GHG emissions and achieving Net Zero	Increase in operational costs and reduction in business profitability from - implementing compliance obligations for products and services - penalties for non-compliance with environmental policies - insufficient response to new disclosure requirements

OUR
ENVIRONMENTAL EFFORTS

TRANSITION AND PHYSICAL RISK

Physical Risk	Acute	Increased severity of extreme weather events such as cyclones and floods	Reduced revenue and financial losses from decreased production capacity due to stoppage of work and disruption of business logistics arising from severe weather events and accidents. Increase in cost from business operations downtime, delays and losses from storage and delivery of products and services, and delays in construction activities. Increase in costs from upgrading existing buildings and facilities to meet BCA standards and ESG requirements. Increase in operating cost due to increase in insurance premiums, and potential non-availability of insurance premiums for assets in high-risk locations.

OPPORTUNITIES

Opportunities	**Area**	**Climate Related Opportunities**	**Potential Financial Impacts of Opportunities**
	Markets	Access to government incentives	Increased revenue from demand created from Government policies and initiatives such as achieving "Net Zero", such as the demand for EV chargers. Reduced costs through government support and incentives aimed at improving equipment efficiency. Increased revenue by creating access to new markets with such equipment.
	Resilience	Skillset enhancement of employees	Unlearning and relearning new skills and practices, helps employees cope with uncertainty and adapt to changing circumstances.
	Energy Source	Conversion in a phased manner from diesel operated forklifts and lorries to EVs, partnerships with e-mobility companies for EVs, EV charging solutions, charging management systems, fleets management and related products and services	Reduction in energy consumption and GHG emissions, lower exposure to future fossil fuel price increases, and reduced sensitivity to changes in carbon taxes.
	Resource Efficiency	Use of more efficient production processes and efficient mode of transport	Using shared modes of transport will lower operational costs. Reduced operating costs through direct reduction in energy consumption, as well as reduction in compliance costs from carbon emission reduction. Reduced cost from digitization and productivity improvement through e-filing, e-procurement and paperless operations; utilization of real-time data for monitoring production processes and improving productivity and reducing scrap.
	Resource Efficiency / Energy Source	Upgrading to energy-efficient buildings such as installation of solar panels on rooftops	Reduction of operating costs by upgrading to energy efficient buildings, from cost savings through improved resource efficiency, waste reduction and energy and water conservation. Reduction in operating cost by collection of water during heavy rainfall, to be used for production or other processes such as washing or drilling. Reduction in Scope 2 emissions (purchased electricity) and Scope 3 emissions (from purchased goods) which helps with GHG compliance targets.

OUR ENVIRONMENTAL EFFORTS

Our commitment to conservation of our natural resources extends to the strict monitoring of how it is used in our manufacturing processes, disposed of or recycled, so as to minimise negative impacts on the environment.

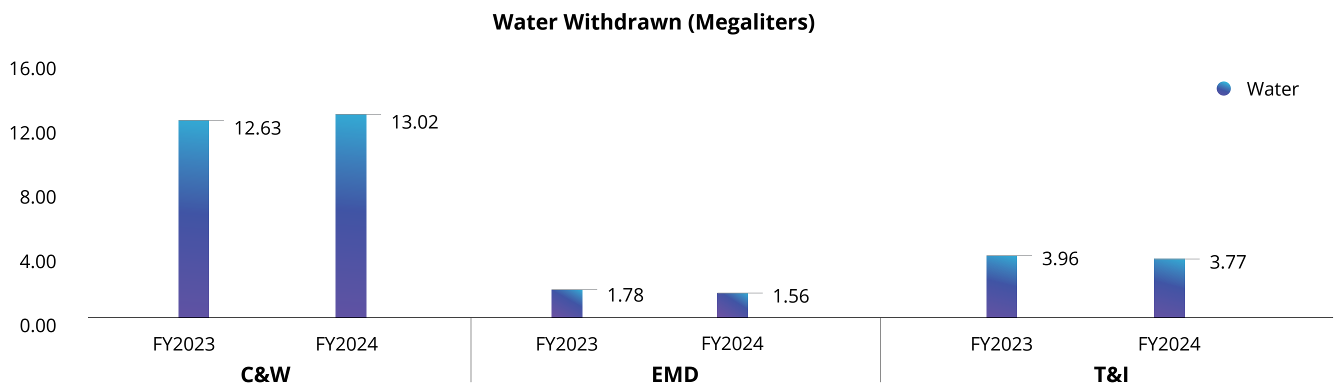
WATER USE AND EFFICIENCY

GRI 303-1 | 303-2 | 303-3

The Group's approach for water use and efficiency is centered around responsible water stewardship and sustainable practices. Our commitment to conservation of our natural resources extends to the strict monitoring of how it is used in our manufacturing processes, disposed of or recycled, so as to minimise negative impacts on the environment. Through regular monitoring and checks, we identify areas of high water consumption and implement measures to reduce wastage and optimize water usage. This includes adopting water-efficient technologies, optimising processes, and promoting a culture of water conservation among our employees.

We continue to track and monitor our water withdrawal in FY2024, starting with data collection for the Singapore operations. In FY2024, a total of 18.35 megalitres (ML) was consumed, all of which was third-party water. We have been able to maintain the water withdrawal levels as compared to FY2023's total of 18.37ML showing a slight reduction. Approximately 71% of the total consumed was attributable to the C&W segment. T&I and EMD's water consumption made up approximately 21% and 8% of the total water consumed respectively. Water is used at the C&W segment for the cooling of our equipment and 100% of water used is recycled while the T&I segment uses water primarily for the testing processes. There is no effluent discharged from our sites. Any water which is discharged is done so in line with local regulations.

We plan to continue to actively measure and monitor our water consumption to identify potential areas for improvement for water conservation. We aim to set reduction targets once we have a better understanding of our baseline water consumption.



Based on WRI Aqueduct Water Risk Atlas, Singapore is considered a low water stress location currently and also for the future (2050) under a "business as usual" scenario.

OUR
PEOPLE

In the last 44 years, we have developed into one of Singapore's leading industrial group. To develop the range of products necessary to meet the needs of our customers, talent is actively sought after at various levels of employment, from production line to senior management. We believe in fostering a culture of respect, inclusion, and continuous development; and prioritise the well-being and professional growth of our employees through the creation of a positive and supportive workplace environment where all employees can thrive, grow, and contribute to the company's success.

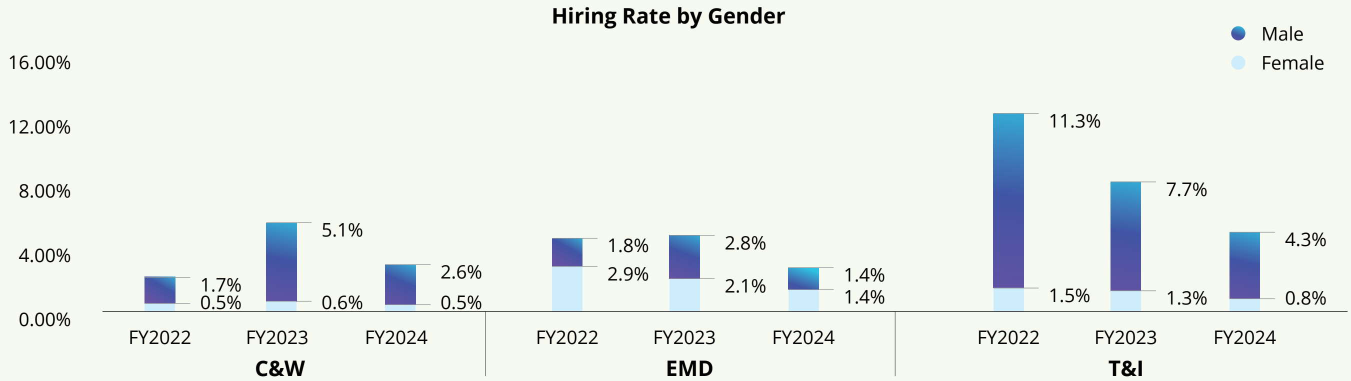
EMPLOYMENT

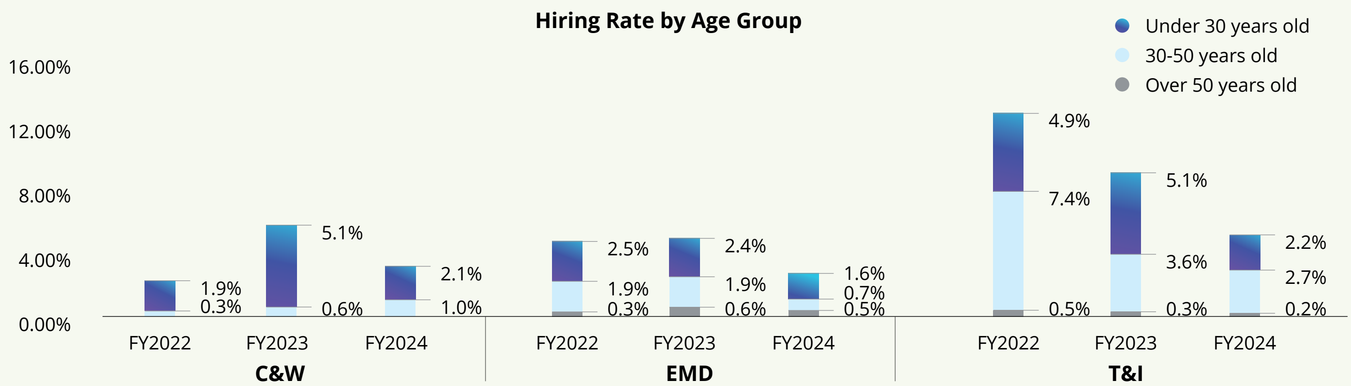
GRI 401-1

We conduct comprehensive workforce planning to align our hiring needs with our strategic objectives. This involves identifying the skills and competencies required to drive organisational success and developing targeted recruitment strategies to attract qualified candidates. We strive to promote diversity and inclusivity throughout our hiring process. By implementing unbiased recruitment practices and ensuring equal opportunities for all applicants, we seek to eliminate biases in job descriptions, interview processes, and candidate evaluations, focusing solely on merit and potential.

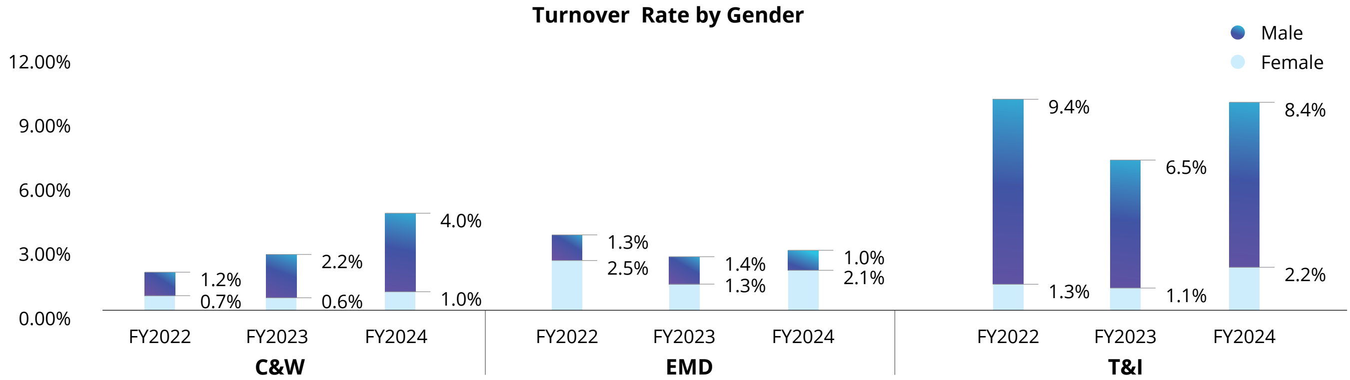
Our total staff strength in Singapore was 583 as at 30 June 2024 comprising 246 employees from T&I, 152 from C&W and 185 from EMD. Our overall hiring rate in FY2024 was 11.0%, of which 5.9% (FY2023:12.6%) were employees aged 30 years old and below. Our turnover rate was 18.7% which increased from 13.1% in FY2023.

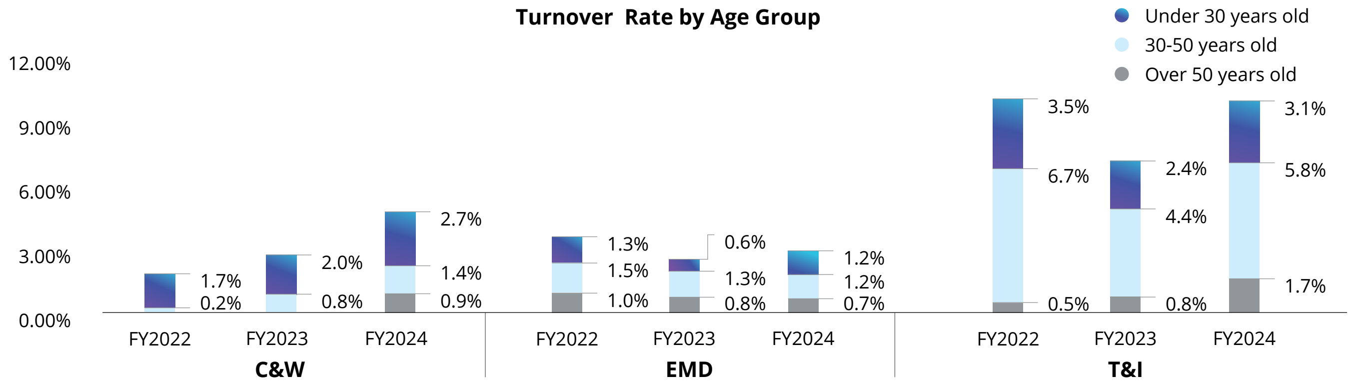
The high attrition rate in CAST Laboratories in FY2024 was primarily due to the company's ongoing organizational restructuring. The turnover was also due to blue collar staff who were recruited based on project requirements, and reflects the nature of the business or industry. In FY2025, we aim to improve our employee retention rate as we have put in place upgrading opportunities for our employees to improve their skills, thus creating opportunities for career advancement in the group. We also aim to reduce our employee turnover rate.





OUR PEOPLE





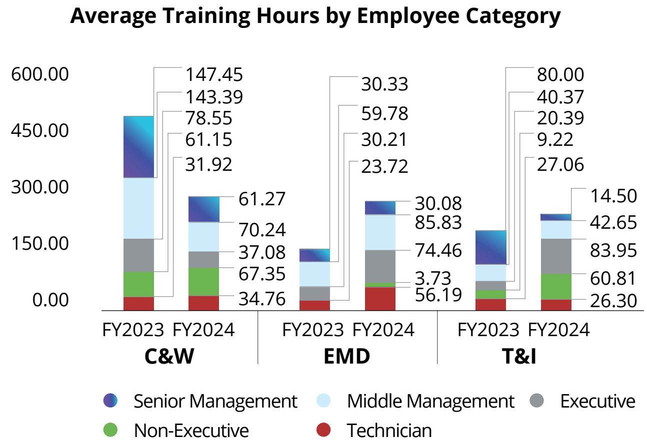
TRAINING AND EDUCATION

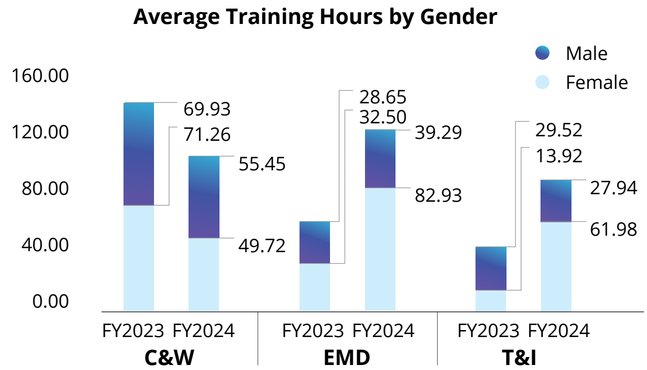
GRI 404-1

The core of any business is its people, our employees undergo various training to equip them with the knowledge and skills to ensure they are competent in the work they do. These training programs offer opportunities for employees to improve their skills and also allows us to enhance productivity and improve our company culture. We believe that employees who are provided with regular opportunities to learn, develop, and advance are more likely to stay with a company, thus we leverage on in-house training, third-party training, or off-site activities to provide such opportunities for our employees.

In FY2024, each of our employees attended an average of 48 hours of training on topics ranging from product related training, soft skills, leadership programs, data analytics, software tools such as excel, corporate tax and robotics. This is above our FY2024 target which was an average of 40 training hours per employee per year. Both male and female employees have equal opportunities to attend the various training courses, as well as employees from different categories. All employees are encouraged to participate in competency and skill upgrading programmes to help them stay up to update on changes in their industry.

In FY2025, we aim to maintain the average hours of training per employee.





OUR **PEOPLE**

OCCUPATIONAL HEALTH AND SAFETY

GRI 403-1 | 403-2 | 403-3 | 403-4 | 403-5 | 403-6 | 403-7 | 403-9

We are committed to ensuring a safe and healthy work environment for all employees. We adhere to stringent health and safety regulations, conduct regular risk assessments, and implement robust safety protocols. Regular training and awareness programs ensure that our employees are equipped with the knowledge and resources to prioritise their own safety and the safety of their colleagues. Together with the site's EHS officer or manager, the general manager for each site ensures that the company meets all required occupational health and safety standards and that employees adhere to these standards.

Two of our entities in Singapore – Tai Sin Electric Limited and CAST Laboratories Pte Ltd, have both achieved ISO 45001 Occupational Health and Safety Management System. Tai Sin Electric Limited and CAST Laboratories Pte Ltd are bizSAFE Star certified and all other entities in Singapore are bizSAFE Level 3 certified. Our employees are encouraged to make recommendations or suggestions to their respective managers or supervisors on how to improve health and safety in the workplace. In the event an employee finds themselves in a hazardous situation, they can cease work immediately and report to their supervisor.

All workers are briefed on health and safety topics during orientation when they first join the company. Regular safety briefings are conducted through toolbox meetings and safety related information is also communicated to employees through notice boards, emails and risk assessment briefings. Health and safety committees at each of the sites meet on average once a month to review the effectiveness of implementation of the company's health and safety policies and procedures. They are also involved in the review of safety concerns from workers and assist in the investigation and closure of these concerns.

Cases of health and safety incidents are to be reported to the direct supervisor or manager, and investigations carried out by the Workplace Safety and Health (WSH) committee or relevant Team Leaders. In the event of an incident or accident, each site follows their own internal reporting process but it would involve an initial reporting of the incident or accident to the manager or direct supervisor and then informing the safety officer or safety committee who will then investigate the incident together with the relevant parties to identify the root cause and corrective action. A formal investigation report is then filed and signed off by the site's general manager.

As part of our company's efforts to promote worker health, some of the activities organised by the sites include eat healthy day and sporting events. At our operations in Singapore, all employees are covered under a Group health plan which includes basic health insurance, free visits to the panel clinic doctors, personal accident coverage as well as hospital and surgery coverage.

Examples of health and safety training provided for our workers include general safety induction for new employees, emergency response, work at height, construction safety orientation course, building construction supervisor course, forklift operations as well as lifting operations. Emergency drills and table-top exercises are carried out at least annually for our operations in Singapore.

We had zero fatalities in FY2024. However, in spite of our efforts to ensure safety as the priority for all our employees, we had 9 cases of recordable work-related injuries in FY2024 resulting in a recordable workplace injury rate of 6.66 and 1 case of high-consequence work related injury resulting in a high-consequence work injury rate of 0.74 . We have since reinforced safety protocols with all logistics personnel to ensure they are fully aware of safety procedures that need to be complied with. In FY2024, we conducted various training programs and enhanced the importance of safety awareness among the employees, which has helped in reducing the number of work-related injuries and the recordable workplace injury rate as compared to FY2023.

In FY2025 we aim for zero fatalities and to minimise recordable work-related injuries by continuing various training programs and enhancing safety awareness levels.

OUR PEOPLE

DIVERSITY AND EQUAL OPPORTUNITY

GRI 405-1

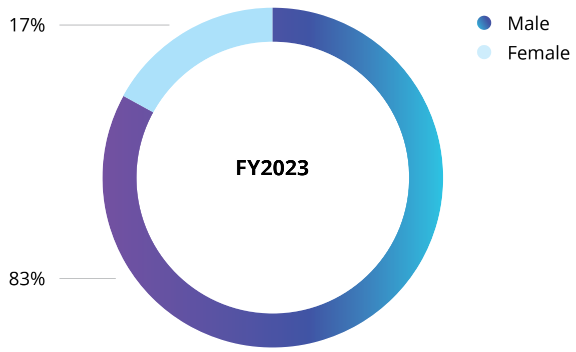
We are committed to fair labour practices for every employee, and are dedicated to the principles of the Tripartite Alliance for Fair & Progressive Employment Practices ("TAFEP"). Women make up almost 30% of our workforce across the six companies in Singapore, and in two of our companies – LKH Precicon Pte Ltd and Lim Kim Hai Electric Co (S) Pte Ltd, women comprise more than 50% of the total workforce. We believe in rewarding fairly, based on an individual's ability, performance, contribution and experience, and on merit. Similarly, recruitment is merit-based. We do not discriminate on the basis of age, race, gender or religion when it comes to employment, training or other work-based opportunities.

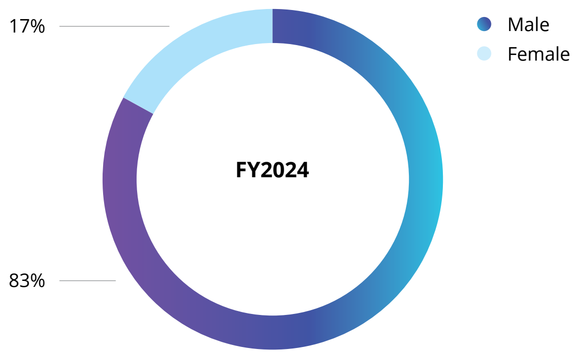
In FY2024, our Board of Directors comprises 17% females and 83% males. The Board's age profile shows that all directors are above 50 years old. In our operations in Singapore, females form 6% of senior management, 42% of middle management and 69% of executive level staff. 57% of our staff are aged between 30-50 years old, 18% are below 30 years old, and 25% are aged 50 years old and above.

We shall focus on increasing diversity of our mid- to senior-level colleagues. Having aspirational representation goals across levels will help ensure we not only have diverse talent in leadership roles, but will also help us build a diverse talent pipeline for the future.

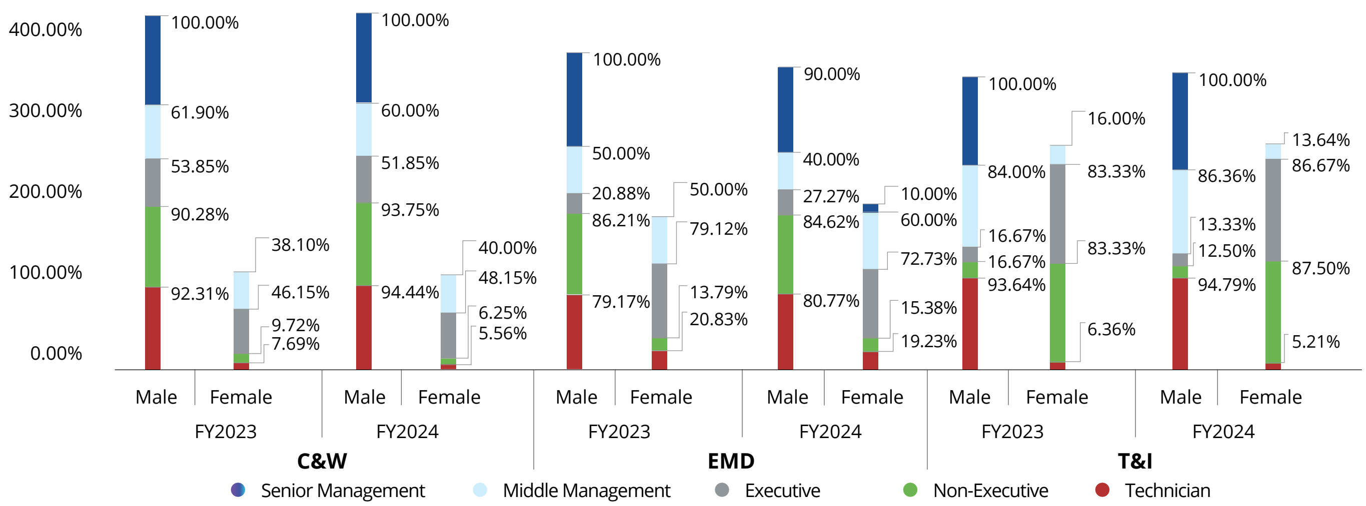
In FY2025, we aim to enhance our efforts to promote equal opportunities for all people and to support a culture of diversity, equity & inclusion in the workplace.

Percentage of Board of Directors by Gender





Diversity of Employees by Gender



OUR **PEOPLE**


Diversity of Employees by Age Group
300.00
225.00
150.00
75.00
0.00
7.69%
37.50%
15.38%
40.00%
47.62%
53.85%
43.06%
56.41%
60.00%
52.38%
38.46%
19.44%
28.21%
7.40%
31.25%
11.11%
20.00%
45.00%
55.56%
48.44%
63.89%
80.00%
55.00%
37.04%
20.31%
25.00%
Under 30 years old
30-50 years old
Over 50 years old
FY2023
FY2024
C&W
25.28%
34.48%
29.17%
16.67%
60.53%
57.14%
17.24%
58.33%
83.33%
39.47%
17.58%
48.28%
12.50%
19.32%
42.31%
38.46%
30.00%
60.00%
62.50%
11.54%
46.15%
70.00%
40.00%
18.18%
46.15%
15.39%
EMD
5.56%
38.89%
23.63%
52.00%
55.56%
27.78%
68.64%
100.00%
48.00%
38.88%
33.33%
7.73%
31.25%
18.75%
54.55%
46.67%
31.25%
69.27%
100.00%
45.45%
53.33%
37.50%
11.98%
T&I
Senior Management
Middle Management
Executive
Non-Executive
Technician

GOVERNANCE AND ECONOMIC PERFORMANCE

We comply with all relevant laws and regulations, and adheres to all standards of governance. Regulatory decisions are public and open to public scrutiny through our annual report. Our adherence to the Corporate Governance Code helps to achieve transparency, accountability and integrity, thus strengthening investor confidence and achieving long-term sustainable business performance and value.

COMPLIANCE WITH LAWS AND REGULATIONS

GRI 2-27

We prioritise compliance with the laws and regulations in all jurisdictions where we operate, and recognise that such laws are in place to enable companies to conduct business in a fair and equitable manner. The company is strongly committed to responsible conduct and expects our employees to comply with laws, regulations and voluntary self-commitments.

In FY2025, we aim to continue to maintain full compliance with all socioeconomic and environmental laws and regulations.

ANTI-CORRUPTION

GRI 205-3

We maintain our integrity through robust policies and training, and a strictly-enforced code of conduct, with which all new hires are familiarised. Additionally, key messages are continually reinforced, and possible conflict of interest situations are closely monitored and a whistleblowing policy is also in force. A list of important company policies is also briefed to all employees during their orientation covering the following topics:

- Code Of Conduct
- Code of Business Conduct
- Dishonest Practices And False Accounting
- Adherence To Legislation
- Conflict Of Interest, Gifts And Inducement
- Fraud Policy

In FY2024, we had no incidents of corruption which warranted sanctions or legal action. We have achieved our target set last year and are committed to maintaining this zero-corruption target for the coming year too.

In FY2025, we aim to continue to maintain zero incidents of corruption.

ANTI-COMPETITIVE BEHAVIOUR

GRI 206-1

In the wake of the pandemic, the electrical cable manufacturing industry has seen increased pressure to optimise scarce resources amid the growing need to meet demand while maintaining stakeholders' interests. Throughout this increasingly difficult period, our stance has been one of fairness while striving to maintain competitiveness. We see this as integral to the services we offer to clients, and as added value to the products we deliver. This has been our policy even prior to the recent disruptions to industry.

No incidents of anti-competitive behaviour, anti-trust or monopolistic practices were reported against us in FY2024, and we are pleased to have achieved our target set last year. In FY2025, we aim to achieve zero incidents of anti-competitive behaviour, anti-trust or monopolistic practices.

ECONOMIC PERFORMANCE

GRI 201-1

The recent market volatility and ongoing geopolitical tensions are expected to weigh on the global economy. While inflationary pressures may have stabilised and interest rates are expected to ease, the Group continues to be vigilant and remains nimble to navigate through the challenging business environment. Notwithstanding these headwinds, the Group continues to proactively manage the ongoing price tension arising from the fluctuating copper prices as well as supply chain pressures. Operational excellence remains a key focus. The Group will continue to execute its strategy and is constantly on the lookout for suitable business opportunities to drive sustainable growth in Southeast Asia, capitalizing on resilient domestic demand underpinned by the continued development of digital infrastructure and burgeoning green economy. While challenges remain, we are committed to carry on while we comply with the rules and regulations in the jurisdictions where we operate, for the benefit of our stakeholders, and the communities and causes which we support.

Please refer to our Annual Report 2024 page 80 for details on our financial performance. Our target for FY2025 is to achieve long-term sustainable growth and to increase shareholder value subject to market conditions.

COMMUNITY ENGAGEMENT

Giving back to the community forms an integral part of our corporate identity. We believe in being a responsible corporate citizen and making a positive impact on the communities in which we operate. Through our Corporate Social Responsibility initiatives, we actively engage in various community development programs, philanthropic endeavours, and partnerships with local organisations. By actively participating in community development, we aim to uplift lives, empower individuals, and contribute to the society as a whole.

In FY2023, our employees participated in charity fund raising activities such as the Yellow Ribbon Race , SGX Bull Charge Charity Run to play our part in raising funds to support the needs of underprivileged children and families, persons with disabilities, as well as the elderly. We also participated in social welfare programs such as WeCare@North West by helping to pack and distribute food to approximately 200 families living in the area.

GOVERNANCE AND **ECONOMIC PERFORMANCE**

In FY2024, our employees collaborated with Food from the Heart on a weekly basis to distribute bread donated by Sunshine Bakeries to designated homes and orphanages located in the northern and northeastern part of Singapore.

In addition, we also partnered with the Lions Club in Singapore to distribute to various beneficiaries. Several of our team and their families in Singapore also assisted Willing Hearts, a volunteer-led organisation with extensive outreach programmes, to prepare food and pack various items such as clothing to help the needy and marginalised in society.

We remain keenly involved in institutional community events which provide assistance to people from all walks of life. In addition to being a Bronze Bull Sponsor for the annual SGX Cares Bull Charge Charity Run, the Group also sent more than 100 runners who participated in the 5-kilometre mass run.

Further, we were pleased to demonstrate our support for second chances and social inclusion by sending more than 40 employees who participated in the 6-kilometre and 10-kilometre runs at the annual Yellow Ribbon Run.

The Group also participated in the walk organised by the Lions Prostheses Centre, a social service agency which helps to fund needy amputees for the procurement of prosthetic limbs to improve their quality of life.

We also served at North West Service Weeks, a quarterly event organised by the Northwest Community Development Council where assistance is provided to residents who live in public rental flats and are under the local welfare schemes. Our volunteers helped to set up a pop-up market and assisted the residents to customise their care packs.

In Malaysia, the Group was delighted to host a breakfast event with several orphans to support them during the fasting month of Ramadan. Our team in Indonesia also make regular donations and visits to engage the children at our adopted orphanage. We also participated in beach clean-up activities as part of the ongoing initiatives to preserve the marine ecosystems in Indonesia.

PERFORMANCE DATA

ENVIRONMENTAL EFFORTS
Energy and Emissions
(GRI 302-1 | 305-1 | 305-2)

ENERGY CONSUMPTION

Energy Consumption by Segment (GJ)	C&W		EMD		T&I		Total	
	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024
Fuel[1]	4,927.56	4,235.48	1,136.72	1,096.13	5,899.65	6,814.36	11,963.93	12,145.97
Electricity	19,021.40	15,355.51	1,379.18	1,259.08	776.25	532.08	21,176.83	17,146.67
Solar	2,812.85[1]	5,419.06	0.00	0.00	0.00	753.69	2,812.85	6,172.75
Total	**26,761.81**	**25,010.05**	**2,515.90**	**2,355.21**	**6,675.90**	**8,100.13**	**35,953.61**	**35,465.39**

SCOPE 1 & 2 GHG EMISSION

GHG Emission by Segment (tCO_2e)	C&W		EMD		T&I		Total	
	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024
Scope 1[3]	366.64	315.51	84.73	81.70	437.54	505.49	888.91	902.70
Scope 2	2,460.60[3]	2,405.23	155.43	145.77	87.48	148.87	2,703.51	2,699.87
Total	**2,827.24**	**2,720.74**	**240.16**	**227.48**	**525.02**	**654.36**	**3,592.42**	**3,602.57**

Water Use and Efficiency
(GRI 303-1 | 303-2 | 303-3)

WATER WITHDRAWN

	C&W		EMD		T&I		Total	
	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024
Mega Liter	12.63	13.02	1.78	1.56	3.96	3.77	18.37	18.35

1 Fuel figures for FY2023 have been restated to reflect the updated conversion factors in the latest GHG Protocol Emission Factors for Cross Sector Tools V2.0 (March 2024), compiled from 2006 IPCC Guidelines for National Greenhouse Gas Inventories Volume 2. Energy consumption figures for FY2023 have been restated as C&W's renewable energy use was not previously included.

3 Scope 1 figures for FY2023 have been restated to reflect the updated conversion factors in the latest GHG Protocol Emission Factors for Cross Sector Tools V2.0 (March 2024), compiled from 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2. Scope 2 figures for FY2023(C&W) have been restated as C&W's renewable energy use was not previously included.

PERFORMANCE **DATA**

OUR PEOPLE

Employment

(GRI 401-1)

Total no. of New Hires	C&W			EMD			T&I			Total		
	FY2022	FY2023	FY2024	FY2022	FY2023	FY2024	FY2022	FY2023	FY2024	FY2022	FY2023	FY2024
Male	10	32	15	11	18	8	67	49	25	88	99	48
Female	3	4	3	17	13	8	9	8	5	29	25	16
Total	**13**	**36**	**18**	**28**	**31**	**16**	**76**	**57**	**30**	**117**	**124**	**64**
Under 30 years old	11	32	12	15	15	9	29	32	13	55	79	34
30-50 years old	2	4	6	11	12	4	44	23	16	57	39	26
Over 50 years old	0	0	0	2	4	3	3	2	1	5	6	4
Total	**13**	**36**	**18**	**28**	**31**	**16**	**76**	**57**	**30**	**117**	**124**	**64**

Hiring Rate	C&W			EMD			T&I			Total		
	FY2022	FY2023	FY2024	FY2022	FY2023	FY2024	FY2022	FY2023	FY2024	FY2022	FY2023	FY2024
Male	1.7%	5.1%	2.6%	1.8%	2.8%	1.4%	11.3%	7.7%	4.3%	14.7%	15.6%	8.3%
Female	0.5%	0.6%	0.5%	2.9%	2.1%	1.4%	1.5%	1.3%	0.8%	4.9%	4.0%	2.7%
Total	**2.2%**	**5.7%**	**3.1%**	**4.7%**	**4.9%**	**2.8%**	**12.8%**	**9.0%**	**5.1%**	**19.6%**	**19.6%**	**11.0%**
Under 30 years old	1.9%	5.1%	2.1%	2.5%	2.4%	1.6%	4.9%	5.1%	2.2%	9.2%	12.6%	5.9%
30-50 years old	0.3%	0.6%	1.0%	1.9%	1.9%	0.7%	7.4%	3.6%	2.7%	9.6%	6.1%	4.4%
Over 50 years old	0.0%	0.0%	0.0%	0.3%	0.6%	0.5%	0.5%	0.3%	0.2%	0.8%	0.9%	0.7%
Total	**2.2%**	**5.7%**	**3.1%**	**4.7%**	**4.9%**	**2.8%**	**12.8%**	**9.0%**	**5.1%**	**19.6%**	**19.6%**	**11.0%**

Total no. of Employees who left the organisation	C&W			EMD			T&I			Total		
	FY2022	FY2023	FY2024	FY2022	FY2023	FY2024	FY2022	FY2023	FY2024	FY2022	FY2023	FY2024
Male	7	14	23	8	9	6	56	41	49	71	64	78
Female	4	4	6	15	8	12	8	7	13	27	19	31
Total	**11**	**18**	**29**	**23**	**17**	**18**	**64**	**48**	**62**	**98**	**83**	**109**
Under 30 years old	10	13	16	8	4	7	21	15	18	39	32	41
30-50 years old	1	5	8	9	8	7	40	28	34	50	41	49
Over 50 years old	0	0	5	6	5	4	3	5	10	9	10	19
Total	**11**	**18**	**29**	**23**	**17**	**18**	**64**	**48**	**62**	**98**	**83**	**109**

Turnover Rate	C&W			EMD			T&I			Total		
	FY2022	FY2023	FY2024	FY2022	FY2023	FY2024	FY2022	FY2023	FY2024	FY2022	FY2023	FY2024
Male	1.2%	2.2%	4.0%	1.3%	1.4%	1.0%	9.4%	6.5%	8.4%	11.9%	10.1%	13.4%
Female	0.7%	0.6%	1.0%	2.5%	1.3%	2.1%	1.3%	1.1%	2.2%	4.5%	3.0%	5.3%
Total	**1.9%**	**2.8%**	**5.0%**	**3.8%**	**2.7%**	**3.1%**	**10.7%**	**7.6%**	**10.6%**	**16.4%**	**13.1%**	**18.7%**
Under 30 years old	1.7%	2.0%	2.7%	1.3%	0.6%	1.2%	3.5%	2.4%	3.1%	6.5%	5.0%	7.0%
30-50 years old	0.2%	0.8%	1.4%	1.5%	1.3%	1.2%	6.7%	4.4%	5.8%	8.4%	6.5%	8.4%
Over 50 years old	0.0%	0.0%	0.9%	1.0%	0.8%	0.7%	0.5%	0.8%	1.7%	1.5%	1.6%	3.3%
Total	**1.9%**	**2.8%**	**5.0%**	**3.8%**	**2.7%**	**3.1%**	**10.7%**	**7.6%**	**10.6%**	**16.4%**	**13.1%**	**18.7%**

PERFORMANCE DATA

Training And Education
(GRI 404-1)

By Employee Category	C&W		EMD		T&I		Total	
	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024
Senior Management	147.45	61.27	30.33	30.08	80.00	14.50	83.27	38.85
Middle Management	143.39	70.24	59.78	85.83	40.37	42.65	74.91	69.44
Executive	78.55	37.08	30.21	74.46	20.39	83.95	38.21	67.79
Non-Executive	61.15	67.35	0.00	3.73	9.22	60.81	38.40	50.76
Technician	31.92	34.76	23.72	56.19	27.06	26.30	27.45	30.56
Total	**70.18**	**54.43**	**30.70**	**61.70**	**26.86**	**33.48**	**39.16**	**47.90**

By Gender	C&W		EMD		T&I		Total	
	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024
Male	69.93	55.45	28.65	39.29	29.52	27.94	41.16	38.54
Female	71.26	49.72	32.50	82.93	13.92	61.98	34.02	72.22
Total	**70.18**	**54.43**	**30.70**	**61.70**	**26.86**	**33.48**	**39.16**	**47.90**

Occupational Health and Safety
(GRI 403-1 | 403-2 | 403-3 | 403-4 | 403-5 | 403-6 | 403-7 | 403-9)

	FY2023		FY2024	
	No. of cases	Rate	No. of cases	Rate
Fatalities as a result of work-related injury	0.00	0.00	0.00	0.00
High-consequence work-related injuries (excluding fatalities)	1.00	0.68	1.00	0.74
Recordable work-related injuries	16.00	10.90	9.00	6.66
Total man-hours worked	1,467,315.64		1,352,307.45	

Diversity And Equal Opportunity
(GRI 405-1)

Diversity of Employees by Gender	C&W				EMD				T&I			
	FY2023		FY2024		FY2023		FY2024		FY2023		FY2024	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Senior Management	100.00%	0.00%	100.00%	0.00%	100.00%	0.00%	90.00%	10.00%	100.00%	0.00%	100.00%	0.00%
Middle Management	61.90%	38.10%	60.00%	40.00%	50.00%	50.00%	40.00%	60.00%	84.00%	16.00%	86.36%	13.64%
Executive	53.85%	46.15%	51.85%	48.15%	20.88%	79.12%	27.27%	72.73%	16.67%	83.33%	13.33%	86.67%
Non-Executive	90.28%	9.72%	93.75%	6.25%	86.21%	13.79%	84.62%	15.38%	16.67%	83.33%	12.50%	87.50%
Technician	92.31%	7.69%	94.44%	5.56%	79.17%	20.83%	80.77%	19.23%	93.64%	6.36%	94.79%	5.21%
Total	**81.60%**	**18.40%**	**82.24%**	**17.76%**	**46.81%**	**53.19%**	**48.65%**	**51.35%**	**82.98%**	**17.02%**	**83.74%**	**16.26%**

PERFORMANCE **DATA**

Diversity of Employees by Age Group	C&W					
	FY2023			FY2024		
	Under 30 years old	30-50 years old	Over 50 years old	Under 30 years old	30-50 years old	Over 50 years old
Senior Management	0.00%	40.00%	60.00%	0.00%	20.00%	80.00%
Middle Management	0.00%	47.62%	52.38%	0.00%	45.00%	55.00%
Executive	7.69%	53.85%	38.46%	7.40%	55.56%	37.04%
Non-Executive	37.50%	43.06%	19.44%	31.25%	48.44%	20.31%
Technician	15.38%	56.41%	28.21%	11.11%	63.89%	25.00%
Total	21.47%	48.47%	30.06%	17.11%	51.97%	30.92%

Diversity of Employees by Age Group	EMD					
	FY2023			FY2024		
	Under 30 years old	30-50 years old	Over 50 years old	Under 30 years old	30-50 years old	Over 50 years old
Senior Management	0.00%	16.67%	83.33%	0.00%	30.00%	70.00%
Middle Management	0.00%	60.53%	39.47%	0.00%	60.00%	40.00%
Executive	25.28%	57.14%	17.58%	19.32%	62.50%	18.18%
Non-Executive	34.48%	17.24%	48.28%	42.31%	11.54%	46.15%
Technician	29.17%	58.33%	12.50%	38.46%	46.15%	15.39%
Total	21.28%	50.53%	28.19%	20.54%	50.81%	28.65%

Diversity of Employees by Age Group	T&I					
	FY2023			FY2024		
	Under 30 years old	30-50 years old	Over 50 years old	Under 30 years old	30-50 years old	Over 50 years old
Senior Management	0.00%	0.00%	100.00%	0.00%	0.00%	100.00%
Middle Management	0.00%	52.00%	48.00%	0.00%	54.55%	45.45%
Executive	5.56%	55.56%	38.88%	0.00%	46.67%	53.33%
Non-Executive	38.89%	27.78%	33.33%	31.25%	31.25%	37.50%
Technician	23.63%	68.64%	7.73%	18.75%	69.27%	11.98%
Total	21.28%	63.47%	15.25%	16.67%	63.82%	19.51%

OUR DISCLOSURES BASED ON TCFD RECOMMENDATIONS

Based on the requirements in the Listing Rule 711B(1) and Practice Note 7.6 Sustainability Reporting Guide, we have mapped our climate related disclosures based on TCFD Recommendations as shown in the table below.

RECOMMENDATIONS	KEY POINTS
GOVERNANCE: Disclose the organisation's governance around climate-related risks and opportunities	
a) Describe the Board's oversight of climate-related risks and opportunities	The Sustainability Committee provides support and guidance for the organizational EESG strategies and programs that enable Tai Sin to address climate-related risks and opportunities. As of June 30, 2024, the Sustainability Committee comprised of Tai Sin's Group CEO, Group CFO and Heads of various business segments. (Refer to Board Statement, page 18 and Sustainability Governance, page 19)
b) Describe management's role in assessing and managing climate-related risks and opportunities	Risks, including those related to climate risk, are managed at multiple levels throughout the organisation and across cross-functional teams. Tai Sin's risk reporting structure aims to allow our internal teams to monitor the status of key risks and the effectiveness of our mitigation efforts. Our Sustainability Committee solicited feedback in FY2024 from the Heads of various business segments to identify the potential risks and opportunities faced by the different business units.
STRATEGY: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is critical	
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	A qualitative exercise was conducted in FY2024 to identify and assess Tai Sin's climate related transition and physical risks, as well as corresponding opportunities. Heads of various business segments were engaged to establish an understanding of how these climate risks and opportunities could impact on Tai Sin's business objectives. Tai Sin is working progressively towards climate-related risks and opportunities over the short, medium and long term, and will be disclosing more in future reports.
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	The business and financial impacts have been outlined in the TCFD table on page 24, section on 'Our Environmental Efforts'.
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	As Tai Sin works progressively towards reaching maturity of reporting, it is currently working on this and shall be disclosing more information in future reports.

OUR DISCLOSURES BASED ON **TCFD RECOMMENDATIONS**

RECOMMENDATIONS		KEY POINTS
RISK MANAGEMENT: Disclose how the organisation identifies, assesses and manages climate- related risks		
a)	Describe the organisation's processes for identifying and assessing climate-related risks	Climate risk assessment, development and action was conducted through engagement with our key internal business stakeholders as well as our third-party consultants. In FY2024, we conducted a climate risk identification process, covering both organization wide impacts and asset-level impacts. Heads of various business segments were engaged to establish an understanding of how these climate risks and opportunities could impact on Tai Sin's business objectives.
b)	Describe the organisation's processes for managing climate-related risks	As Tai Sin works progressively towards reaching maturity of reporting, it is currently working on this and shall be disclosing more information in future reports.
c)	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	As Tai Sin works progressively towards reaching maturity of reporting, it is currently working on this and shall be disclosing more information in future reports.
METRICS AND TARGETS: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material		
a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	We have identified different metrics to understand our exposure to physical and transition climate-related risks and opportunities. Transition risk metrics include energy consumption and greenhouse gas emissions, while physical risk metrics focus on our water consumption and electricity consumption from the grid. Please refer to page 24.
b)	Disclose Scope 1 and 2, and if appropriate Scope 3 GHG emissions and related risks	Our Scope 1 and Scope 2 GHG emissions are reported on page 23.
c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	As Tai Sin works progressively towards reaching maturity of reporting, it is currently working on this and shall be disclosing more information in future reports.

GRI CONTENT INDEX

Statement of use	Tai Sin Electric has reported the information cited in this GRI content index for the period 1 July 2023 to 30 June 2024 with reference to the GRI Standards
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2 General Disclosures (2021)	2-27: Compliance with laws and regulations	32
GRI 201 Economic Performance (2016)	201-1: Direct economic value generated and distributed	32
GRI 205 Anti-Corruption (2016)	205-3: Confirmed incidents of corruption and actions taken	32
GRI 206 Anti-Competitive Behaviour (2016)	206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	32
GRI 302 Energy (2016)	302-1: Energy consumption within the organization	22-23, 34
GRI 303 Water & Effluents (2018)	303-1 : Interactions with water as a shared resource	26, 34
	303-2: Management of water discharge-related impacts	26
	303-3: Water Withdrawal	26, 34
GRI 305 Emissions (2016)	305-1: Direct (Scope 1) emissions	22-23, 34
	305-2: Energy indirect (Scope 2) emissions	22-23, 34
GRI 401 Employment (2016)	401-1: New employee hires and employee turnover	27-28, 35
GRI 403 Occupational Health and Safety (2018)	403-1: Occupational health and safety management system	29, 36
	403-2: Hazard identification, risk assessment, and incident investigation	29
	403-3: Occupational health services	29
	403-4: Worker participation, consultation, and communication on occupational health and safety	29
	403-5: Worker training on occupational health and safety	29
	403-6: Promotion of worker health	29
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	29
	403-9: Work-related injuries	29, 36
GRI 404 Training and Education (2016)	404-1: Average hours of training per year per employee	28, 36
GRI 405 Diversity and Equal Opportunity (2016)	405-1: Diversity of governance bodies and employees	30-31, 36-37

CORPORATE **GOVERNANCE**

The Board of Directors (the "Board") of Tai Sin Electric Limited (the "Company") is committed to maintain high standards of corporate conduct in conformity with the Code of Corporate Governance dated 6 August 2018 (last amended 11 January 2023) (the "2018 Code") which is essential to protect the interests of the shareholders and enhance shareholders' value.

The Board adheres to the principles and provisions of the 2018 Code subject to such disclosure and explanation of any deviation with the exception of the following:

(a) Provision 11.4 - the provision in the Company's Constitution for absentia voting at general meetings of shareholders; and

(b) Provision 11.6 - the provision of a corporate dividend policy.

The following describes the Company's corporate governance practices with reference to the principles and provisions of the 2018 Code, as required under the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

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

As at the date of this Annual Report, the Board of the Company comprises the following members:

<u>Non-Executive and Non-Independent Director</u>
Lim Chye Huat @ Bobby Lim Chye Huat (Chairman)

<u>Executive Director</u>
Lim Boon Hock Bernard (Executive Director/Chief Executive Officer ("CEO"))

<u>Non-Executive and Independent Directors</u>
Soon Boon Siong (Lead Independent Director)
Lee Fang Wen
Renny Yeo Ah Kiang
Seow Boon Teng

CORPORATE **GOVERNANCE**

Roles of the Board *(Provision 1.1, Practice Guidance 1)*

Apart from its statutory duties and responsibilities, the Board performs the following functions:

(a) provides entrepreneurial leadership, sets strategic objectives, and ensures that the necessary financial and human resources are in place for the Group to meet its objectives;
(b) ensures presence of a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;
(c) challenges Management and reviews their performance;
(d) sets the Group's values and standards, appropriate tone-from-the-top and desired organisational culture, and ensures that obligations to shareholders and other stakeholders are understood and met;
(e) appoints Key Management Personnel;
(f) reviews the financial performance of the Group and implements policies relating to financial matters, which include risk management and internal control and compliance;
(g) assumes responsibility for corporate governance and sustainability-related matters (including climate-related issues); and
(h) ensures transparency and proper accountability within the Company and to key stakeholder groups.

These functions are carried out either directly by the Board or through Board Committees, namely, Nominating Committee ("NC"), Remuneration Committee ("RC") and Audit and Risk Committee ("ARC").

Directors' discharge of duties and responsibilities *(Provision 1.1)*

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries and take decisions in the interests of the Company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

Delegation of Authority to Board Committees *(Provision 1.3, 1.4)*

Matters which are specifically reserved to the full Board for decision include those involving a conflict of interest for a substantial shareholder or a Director, material acquisition and disposal of assets, corporate or financial restructuring, share issuance, dividends, financial results and corporate strategies.

The Board delegates its nominating functions to the NC, remuneration matters to the RC, and reviewing of financial statements, risks and internal controls to the ARC.

Meetings of Board and Board Committees *(Provision 1.5)*

Formal Board meetings are held at least four (4) times a year to oversee the business affairs of the Group, and to approve, if applicable, any financial or business objectives and strategies. Ad-hoc meetings are convened when the circumstances require. The Company's Constitution allows a Board meeting to be conducted by way of tele-conference and video conference.

CORPORATE **GOVERNANCE**

During the financial year, the Board held five (5) meetings. Details of Directors' attendance at every Board and Board Committee meeting held in the financial year ended 30 June 2024 ("FY2024") are as follows:

<table>
<tr><th rowspan="2">NAME</th><th colspan="2">BOARD</th><th colspan="2">AUDIT AND RISK COMMITTEE</th><th colspan="2">REMUNERATION COMMITTEE</th><th colspan="2">NOMINATING COMMITTEE</th></tr>
<tr><th>No. of meetings held</th><th>No. of meetings attended</th><th>No. of meetings held</th><th>No. of meetings attended</th><th>No. of meetings held</th><th>No. of meetings attended</th><th>No. of meetings held</th><th>No. of meetings attended</th></tr>
<tr><td>Lim Chye Huat @ Bobby Lim Chye Huat</td><td rowspan="6">5</td><td>5</td><td rowspan="6">4</td><td>4</td><td rowspan="6">2</td><td>2</td><td rowspan="6">3</td><td>3</td></tr>
<tr><td>Lim Boon Hock Bernard</td><td>5</td><td>N.A.</td><td>N.A.</td><td>N.A.</td></tr>
<tr><td>Soon Boon Siong</td><td>5</td><td>4</td><td>2</td><td>3</td></tr>
<tr><td>Lee Fang Wen</td><td>5</td><td>4</td><td>2</td><td>3</td></tr>
<tr><td>Renny Yeo Ah Kiang</td><td>5</td><td>4</td><td>2</td><td>3</td></tr>
<tr><td>Seow Boon Teng (appointed ARC, NC & RC member on 1 July 2023)</td><td>5</td><td>4</td><td>2</td><td>3</td></tr>
</table>

Notes:
(a) N.A. means Not Applicable.
(b) The Chief Executive Officer (who is a Director of the Company), Mr. Lim Boon Hock Bernard, attended all meetings of the Board Committees held in FY2024.

Internal Guidelines Require Approval from Board *(Provision 1.3)*

The Company has adopted internal guidelines setting forth matters that require Board approval. Under these guidelines, major new capital investments and divestments by any company within the Group require the approval of the Board. Other matters requiring the Board's decision include business strategy, budgets and half year and annual results announcement. Below the Board level, there is appropriate delegation of authority and approval sub-limits at Management level, to facilitate operational efficiency.

Director's Appointment and Training *(Provision 1.2)*

A formal letter will be sent to each newly appointed Director, if any, upon his/her appointment stating his/her duties and obligations as director. Management accounts, Terms of Reference of Board Committees and Minutes of Board and Board Committee meetings and shareholders meetings are made available to newly appointed Directors to enable them to understand the Company's business and operations. Introductory meetings will be arranged, where appropriate, to acquaint them with Key Management Personnel.

There was no new Director appointed to the Board of the Company during the financial year under review.

CORPORATE GOVERNANCE

The Company has adopted a Board Development Policy in the year 2020. The Board recognises the importance and value of ongoing training and development and the need for each Director to take personal responsibility for this process.

To facilitate ongoing training and development:

(a) All Directors are encouraged to keep themselves updated on developments relevant to the Company's business, changes in laws and regulations and the like.
(b) All Directors are encouraged to attend relevant courses, seminars, conferences and/or talks organised by regulatory bodies and professional institutions such as the Accounting and Corporate Regulatory Authority of Singapore, Singapore Institute of Directors ("SID") and Singapore Exchange Limited ("SGX"). The Company has an approved budget for such on-going training for its Directors.

For a new and first time Director, who has no prior experience as a director of an issuer listed on the SGX-ST, he/she will be required to undergo training(s) in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST.

During FY2024, Directors kept themselves abreast of regulatory changes, governance topics and other matters which had assisted them in their duties as Directors by attending courses or seminars.

Details of the courses attended by the Directors with attendance hours totaling 123 hours are as follows:

- SID - ASEAN Corporate Governance Scorecard Briefing
- SID - Audit & Risk Committee Seminar 2024 (Climate Reporting & Assurance)
- SID - Beyond The 9-Year Rule
- NTUC Learning Hub - Cybersecurity Awareness Programme
- Eco-Business - Empowering Management's ESG Skills For Business Performance
- Eco-Business - ESG And Sustainability In Asia : A Business Strategy
- SGX - Exploring On ISSB
- SNEF - Fair Workplace Grievance Handling Workshop
- Carbon Trust - Fundamental Of Decarbonisation For Business
- SID - From GRI To ISSB - What To Consider
- Institute Of Human Resource Professional - Manufacturing Employer Handbook Learning Circles
- NTUC Learning Hub - Top Executive WSH Programme
- CKM Advisory - Recent Development With The Listing Requirements, Including Conflict Of Interest Amendments
- SID - The Board's Role In Talent Management

All the Directors have attended the required training on sustainability matters as prescribed by the SGX-ST.

Access to Information *(Provision 1.6)*

To assist the Board in fulfilling its responsibilities, Management is required to provide the Directors with complete, adequate, and timely information prior to each Board meeting. In addition, Management is required to provide the Directors with monthly financial and management accounts.

CORPORATE **GOVERNANCE**

Board Access to Management, the Company Secretary, and External Advisers *(Provision 1.7)*

Directors have separate and independent access to Management and the Company Secretaries, and vice versa.

If the Board, or any of the Directors, requires independent professional advice in the furtherance of its/his/her duties, the cost of such professional advice, subject to the Board's approval, will be borne by the Company.

Under the Constitution of the Company, the decision to appoint or remove the Company Secretary(ies) is subject to the approval of the Board.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Composition, Size of the Board and Independent Element of the Board *(Provision 2.1, 2.2, 2.3, Practice Guidance 2)*

The Board currently comprises six (6) Directors, one (1) of whom is an executive, one (1) is non-executive and non-independent and four (4) are non-executive and independent. This current Board size is sufficient to facilitate effective direction-setting and decision making needed by the Company.

The Board has reviewed its size and concludes that a size of not more than eight (8) is appropriate given the requirements of the Group's business and the need to avoid undue disruptions to the composition of the Board Committees.

The Company complies with the 2018 Code's requirement for having a majority of the Board to be made up of Independent Directors, where the Chairman is not independent, and the Chairman and the CEO are immediate family members. Four (4) out of the six (6) Directors are non-executive and independent, namely, Mr. Soon Boon Siong, Mr. Lee Fang Wen, Mr. Renny Yeo Ah Kiang and Ms. Seow Boon Teng.

The Board and NC consider a Director to be "independent" if he/she is independent in character, conduct and judgement, and having regard to the definition of independence/circumstances as stated in the 2018 Code and accompanying Practice Guidance and SGX-ST Listing Manual.

The independence of each Director is reviewed and confirmed by the NC annually. None of them 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 his/her independent business judgement with a view to the best interests of the Company.

In its annual review for FY2024, the NC was of the view that the four (4) Non-Executive Directors are independent as defined in the 2018 Code as well as being independent in conduct, character, and judgement, which was concurred by the Board. No individual or small group of individuals dominates the Board's decision-making process.

The profile of each Director and other relevant information is set out under "Board of Directors" Section of this Annual Report.

CORPORATE **GOVERNANCE**

The Board recognises that Non-Executive and Independent Directors will, over time, develop significant insights into the Group's business and operations, and continue to provide objective valuable contributions to the Board as a whole. However, it is a requirement under Rule 210(5)(d)(iv) of the SGX-ST's Listing Manual that a Director will not be independent if he has been a director for more than nine (9) years from the date of his first appointment. Accordingly, in respect of Mr. Soon Boon Siong, Non-Executive and Independent Director, who has served on the Board for an aggregate period of more than nine (9) years from the date of his first appointment on 7 November 2012, he can continue to serve as a Non-Executive and Independent Director of the Company until the conclusion of the Company's annual general meeting to be held on 29 October 2024 ("2024 AGM") pursuant to Rule 210(5)(d)(iv) of the SGX-ST's Listing Manual (effective on 11 January 2023).

In respect of Mr. Lee Fang Wen, Non-Executive and Independent Director, who has served on the Board for an aggregate period of more than nine (9) years from the date of his first appointment on 1 July 2015, he can continue to serve as a Non-Executive and Independent Director of the Company until the conclusion of the 2024 AGM pursuant to Rule 210(5)(d)(iv) of the SGX-ST's Listing Manual (effective on 11 January 2023).

Mr. Soon Boon Siong, who is due to retire by rotation pursuant to Article 91 of the Company's Constitution, has decided that he will not seek re-election as Director of the Company at the 2024 AGM and accordingly, Mr. Soon will cease as Lead Independent Director, Chairman of ARC, and a member of NC and RC.

Mr. Lee Fang Wen has indicated to the Board his decision to step down as a Director of the Company at the conclusion of the 2024 AGM, to facilitate and support the Board renewal and accordingly, Mr. Lee will cease as Chairman of RC, and a member of ARC and NC.

The NC had noted the requirement under Rule 210(5)(d)(iv) of the SGX-ST Listing Manual. After a rigorous review, the NC and Board are of the view that both Mr. Soon Boon Siong and Mr. Lee Fang Wen continue to remain independent in their exercise of judgement and objectivity in Board's deliberations and have offered objective and constructive opinion concerning the affairs/matters of the Group and demonstrated strong independence in character and judgement over the years in discharging their duties and responsibilities as Independent Directors and confirmed that both Mr. Soon Boon Siong and Mr. Lee Fang Wen continue to be considered Non-Executive and Independent Directors until their retirement/cessation as Directors of the Company at the conclusion of the 2024 AGM.

With the departure of both Mr. Soon Boon Siong and Mr. Lee Fang Wen upon the conclusion of the 2024 AGM, the Board will comprise four (4) Directors, one (1) of whom is executive, one (1) is non-executive and non-independent and two (2) non-executive and independent.

The Company has commenced the search process for a new Independent Director, having due regard to the various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy.

As part of succession planning and Board renewal, the NC has reviewed and recommended, and the Board has concurred that Mr. Yeo Rankin Brandt be proposed to be appointed as a Non-Executive and Independent Director of the Company subject to the approval of shareholders at the 2024 AGM. Please refer to pages 187 to 194 of this Annual Report for the detailed information of Mr. Yeo Rankin Brandt, as required under Rule 704(7) of the Listing Manual of the SGX-ST.

The Company will update shareholders on changes to the composition of the Board and Board Committees, via publication of announcement(s) on SGXNet, after the 2024 AGM.

CORPORATE **GOVERNANCE**

Board Diversity *(Provision 2.4, Practice Guidance 2)*

On an annual basis, the NC will review the composition and size of the Board, each Board Committee and the skills, and core competence of its members to ensure an appropriate balance and diversity of skills and experience.

Core competencies include accounting, business acumen, industry knowledge related to the Company, familiarity with regulatory and compliance requirements and knowledge of risk management.

The Company recognises and embraces the benefits of diversity of experience, age, skills, gender and ethnicity on the Board ("Board Diversity"). Board Diversity supports the attainment of the Group's strategic objectives and its sustainable development. The Company has adopted a Board Diversity Policy in the year 2020 and embraced many aspects of diversity in the current Board composition. The Board has not set targets or objectives in relation to other aspects of diversity such as age, gender, ethnicity and religion. The Board has reservations on setting a quota as a target, as it may detract from the more fundamental principle that the candidate must be the right fit and meet the relevant needs and vision of the Board and Company at the material time. The Board selects Directors based on merit, taking into account the right blend of competencies, skills, industry knowledge and other qualities needed to complement other members of the Board and the Group's corporate strategy.

The Board currently has one (1) female Director out of the six (6) Directors and comprises Directors ranging from 50 to 80 years of age. The current Board comprises persons, who as a group, provide an appropriate balance and diversity of skills, experience, age, gender and knowledge of the Group, and provide core competencies in areas such as accounting or finance, business or management experience and industry knowledge necessary to meet the Group's objectives. The NC and Board consider the current mix, size and composition of the Board to be sufficiently diverse to foster independent constructive debate and avoid groupthink and reflect the Company's commitment to Board diversity. Management will continue to benefit from the Directors' respective expertise and diverse backgrounds.

Given the nature and scope of the Group's operations, the NC and Board are satisfied that there is sufficient diversity of skills, age, experience, qualifications, gender and knowledge of the Company in the current Board composition to maximise effectiveness in the oversight of the Group's business and operations.

The NC would, however, review from time to time the structure, size and composition of the Board and make recommendations to the Board appropriate changes to the policy, criteria or objectives (including additional targets, if needed) relating to Board diversity which are relevant to the Group's business needs and to achieve greater diversity on the Board. Any further progress made towards implementation of the Board Diversity policy will be disclosed in future Annual Reports.

Non-Executive Directors *(Provision 2.5)*

Directors are encouraged and are given ample time to consider and deliberate on all matters in Board meetings. The salient views and recommendations of Non-Executive Directors are recorded in minutes of meetings and where applicable are adopted. The Independent Directors communicate amongst themselves by email or telephone on matters concerning the Company and have met without the presence of the Executive Director and Management.

CORPORATE GOVERNANCE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

Separate Role of Chairman and Group CEO *(Provision 3.1, 3.2, Practice Guidance 3)*

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has a considerable concentration of power.

Mr. Lim Boon Hock Bernard, the son of Mr. Lim Chye Huat @ Bobby Lim Chye Huat, is our Executive Director / CEO. He is responsible for the implementation of the Group's strategies, policies and conduct of the Group's operations and business.

Mr. Lim Chye Huat @ Bobby Lim Chye Huat is our Non-Executive and Non-Independent Chairman and has been appointed as Director of the Company since 1997. Given Mr. Lim Chye Huat @ Bobby Lim Chye Huat's contribution to the success of the Company over the past years and the presence of a strong independent element on the Board, it is the view of the Board that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and no major decisions are made by an individual exercising any considerable concentration of power or influence. Furthermore, more than half of the Board is made up of Non-Executive and Independent Directors and all the Board Committees are chaired by Non-Executive and Independent Directors.

Roles and Responsibilities of Chairman *(Provision 3.2)*

The Chairman leads the Board proceedings and ensures that Board meetings are held when necessary. The Chairman is also responsible for ensuring the effectiveness of the Board and its governance processes, while the CEO is the most senior executive in the Company who is responsible for implementing the Company's strategies and policies and monitoring the Company's day-to-day operations.

Role of Lead Independent Director *(Provision 2.5, 3.3, Practice Guidance 2)*

The Board has appointed Mr. Soon Boon Siong as the Lead Independent Director since 1 November 2018. Mr. Soon Boon Siong is the Chairman of ARC, and a member of NC and RC. He leads and co-ordinates the activities of the Non-Executive and Independent Directors and calls meetings of the Non-Executive and Independent Directors where necessary. Where applicable, appropriate feedback will be made to the Chairman and CEO. Mr. Soon Boon Siong is available to shareholders when they have concerns and where contact through the normal channels of the Company has failed to resolve those concerns or for which the normal channels are inappropriate or inadequate.

CORPORATE **GOVERNANCE**

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.

NC Membership *(Provision 1.4, 4.1, 4.2)*

The current NC comprises the following five (5) Directors, all of whom are non-executive and the majority of whom, including the Chairman, are independent:

(a) Renny Yeo Ah Kiang (Chairman)
(b) Lee Fang Wen
(c) Soon Boon Siong
(d) Seow Boon Teng
(e) Lim Chye Huat @ Bobby Lim Chye Huat

The Board has approved the written terms of reference of the NC. The main terms of reference are:

(a) to be responsible for the re-nomination of the Company's Directors, having regard to the Director's contribution and performance;
(b) to determine annually whether or not a Director is independent, bearing in mind the guidelines set out in the 2018 Code and any other factors;
(c) to decide whether or not a Director is able to and has been adequately carrying out his / her duties as a Director;
(d) to regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared with its current position and make recommendations to the Board with regard to any changes;
(e) to give full consideration to succession planning for Directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future;
(f) to be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
(g) before any appointment of Directors is made by the Board, to evaluate the balance of skills, knowledge and experience on the Board and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the NC considers candidates on merit and against objective criteria, taking care that appointees are able to devote sufficient time to the position. The NC ensures that new Directors are aware of their duties and obligations; and
(h) to keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensure the continued ability of the Company to compete effectively in the marketplace.

CORPORATE **GOVERNANCE**

Roles of NC *(Provision 4.1, 4.3, 4.5, Practice Guidance 4)*

The NC shall also make recommendations to the Board concerning:

(a) the re-appointment of any Non-Executive Director at the conclusion of his/her specified term of office having given due regard to his/her performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
(b) the nomination of newly appointed Directors (if any) and Directors for re-election at each AGM under the "appointment and retirement of Directors" provisions in the Company's Constitution having due regard to his/her performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
(c) the review of Board succession plans for the Non-Executive and Non-Independent Chairman and CEO/Executive Director and other Directors;
(d) the review of training and professional development programs for the Board; and
(e) any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company.

According to Rule 720(5) of the SGX-ST Listing Manual, all directors must submit themselves for re-nomination and re-appointment at least once every three (3) years. In addition, the Company's Constitution requires one-third of the Directors for the time being (excluding the CEO) to retire by rotation and subject themselves to re-election at every AGM. A newly appointed Director must retire and submit himself/herself for re-election at the AGM immediately following his/her appointment and thereafter, is subjected to the one-third rotation rule.

Mr. Lim Boon Hock Bernard, the CEO (who is a Director), is not required to retire under the Company's Constitution. However, in compliance with Rule 720(5) of the SGX-ST Listing Manual, he will offer himself for re-appointment at AGMs once every three (3) years.

NC's Determination of Independent Director's Independence *(Provision 4.4)*

On an annual basis, all Independent Directors have submitted to the NC and the Board for review and concurrence, a written confirmation on whether they consider themselves to be independent, taking into account the criteria/circumstances set out in the Listing Manual of the SGX-ST, the 2018 Code and its guidelines. For the purpose of determining Directors' independence, every Independent Director has provided a declaration of his/her independence and he/she is required to notify the Board when there are circumstances arising which render him/her non-independent. The Independent Directors continue to regard themselves as independent and the same has been confirmed by the NC and the Board.

Commitments of Directors Sitting on Multiple Boards *(Provision 1.5, 4.5, Practice Guidance 4)*

The Board has adopted internal guidelines addressing competing time commitments that are faced when Directors serve on multiple boards. The guidelines provide that each full-time Director can only have a maximum limit of four (4) directorships in a publicly listed company on the SGX-ST or international stock exchanges. Furthermore, for directorships already held, not more than two (2) of the four (4) are in companies where their financial year end is 30 June.

All Directors are required to submit to the NC details of other directorships held by them during the financial year as well as information on other major appointments including full-time employment. In such submission, they are required to confirm that they have sufficient time to pay attention to the affairs of the Company. Having reviewed the submissions in respect of FY2024, the NC is of the view that the Directors are able to carry out their duties as Directors of the Company and that each Director has discharged his/her duties adequately.

CORPORATE **GOVERNANCE**

Alternate Directors *(Practice Guidance 4)*

The Company's Constitution provides for the appointment of alternate directors. The Board has decided that it will, as stated in the 2018 Code, generally avoid approving the appointment of alternate directors and should any appointment be made, it will be for limited periods only. No alternate director was appointed in FY2024.

Process for Selection and Appointment of New Directors and Key Information on Directors *(Provision 4.3, 4.5, Practice Guidance 4)*

Where a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new director with particular skills, the NC will in consultation with the Board, determine the selection criteria and choose candidates with the appropriate expertise and experience for the position.

Generally, the NC will review annually the Board's composition and should the need to appoint and/or replace directors arise, it will review nominations from Board members. In its review, the NC will take into account the relevant skill sets, qualifications, conflicts of interests and other commitments.

The NC will interview the nominees/potential candidates and recommend to the Board the most appropriate person to be invited to become a Director of the Company.

The selection criteria include attributes such as integrity, diversity of competencies, industry knowledge and financial literacy. The NC seeks potential candidates widely and beyond Directors'/Management's recommendations and is empowered to engage external parties, such as professional search firms, to undertake research on or assessment of candidates as it deems necessary.

The NC then meets with the shortlisted candidates with the appropriate profile to assess suitability and to ensure that the candidates are aware of the expectation and the level of commitment required, before nominating the most suitable candidate to the Board for approval and appointment as a new Director.

Key information of Directors is set out under the "Board of Directors" section of this Annual Report.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual Directors.

Formal Process and Performance Assessment *(Provision 4.1)*

The NC has adopted a formal process for the evaluation of the performance of individual Directors, Board Committees and the Board as a whole.

Evaluation Process *(Provision 5.1, 5.2, Practice Guidance 5)*

The assessment process involves and includes input from the Board members and individual Directors in self-evaluation and peer review, applying the performance criteria recommended by the NC and approved by the Board. The Directors' input is collated by the Company Secretary and reviewed by the Chairman of the NC, who presents a summary of the overall assessment to the NC for review. Areas where the Board's performance and effectiveness could be enhanced and recommendations for improvement are then submitted to the Board for discussion and for implementation.

CORPORATE GOVERNANCE

Board Performance Criteria

The performance criteria for the Board evaluation are as follows:

- Board skills set / competency / diversity
- Financial target and operating performance
- Board performance in relation to discharging its principal functions
- Board's relationship with the CEO
- Board Committees in relation to discharging their responsibilities set out in their respective terms of reference

Individual Director's Performance Criteria

The individual Director's performance criteria are categorised into four (4) segments, namely:

- Interactive skills
- Knowledge
- Director's duties
- Overall contribution

Non-Executive and Non-Independent Chairman and CEO Performance Criteria

The performance criteria for the Non-Executive and Non-Independent Chairman and the CEO are as follows:

- Vision and leadership
- Financial management
- Board relations
- Governance and risk management
- Relations with shareholders

The NC, without the engagement of an external facilitator, has performed the assessment for FY2024 and is of view that the performance of individual Directors, Board Committees and the Board as a whole, were satisfactory and sufficient time and attention have been given by the Directors in the discharge of their duties to the Group. In addition, the NC had reviewed and confirmed to the Board the independence of the Non-Executive and Independent Directors.

For FY2024, the NC has also recommended the nomination of Mr. Renny Yeo Ah Kiang for re-election as Director at the 2024 AGM, after having considered the qualifications, experience, expertise, performance, knowledge and skills of Mr. Yeo and a review of his independence. The Board has reviewed and concluded that Mr. Renny Yeo Ah Kiang is well qualified and suitable for re-election as Director of the Company and has accepted the NC's recommendation.

CORPORATE **GOVERNANCE**

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: **The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and Key Management Personnel. No Director is involved in deciding his or her own remuneration.**

RC Membership *(Provision 1.4, 6.1, 6.2, Practice Guidance 6)*

The current RC comprises the following five (5) Directors all of whom are non-executive and the majority of whom, including the Chairman, are independent:

(a) Lee Fang Wen (Chairman)
(b) Soon Boon Siong
(c) Renny Yeo Ah Kiang
(d) Seow Boon Teng
(e) Lim Chye Huat @ Bobby Lim Chye Huat

Roles of RC *(Practice Guidance 6)*

The Board has approved the written terms of reference of the RC. The main terms of reference are:

(a) To propose a framework of remuneration for Directors and Key Management Personnel, covering all aspects of remuneration, including but not limited to director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind;
(b) To recommend specific remuneration policies and packages for Directors and Key Management Personnel;
(c) To consider the recruitment of Executive Directors and determine their employment terms and remuneration and to review the terms of renewal for those Executive Directors whose current employment contracts will expire or had expired;
(d) To structure an appropriate proportion of Executive Director's remuneration so as to link rewards to corporate and individual performance;
(e) To develop appropriate and meaningful measures for the purpose of assessing Executive Director's performance; and
(f) To seek expert advice inside and / or outside the Company as the RC may deem necessary to enable it to discharge its duties satisfactorily.

Remuneration Framework *(Provision 6.3)*

The RC reviews annually the remuneration of Directors and Key Management Personnel. For the Executive Directors, their remuneration is stated in their service agreement and their compensation packages consist of salaries, bonuses, benefits-in-kind and annual profit sharing incentive bonus which is dependent on the Group's performance. For the Non-Executive Directors, their fees comprise basic director fee, their respective appointment fees and benefits-in-kind. For Key Management Personnel, the remuneration components include salaries, allowances, bonuses, benefits-in-kind and annual profit sharing incentive bonus which is dependent on the respective companies' performance under their portfolio.

RC Access to Advice on Remuneration Matters *(Provision 6.4, Practice Guidance 6)*

The RC may from time to time obtain independent professional advice as it deems necessary in reviewing the remuneration of Directors. The expenses incurred from such advice shall be borne by the Company.

CORPORATE **GOVERNANCE**

The latest review on remuneration of Directors was conducted previously by AON Hewitt Singapore Pte Ltd during the financial year 2019. AON Hewitt Singapore Pte Ltd does not have any relationship with the Company that could affect its independence and objectivity. The RC will commission another review when the need arises. The Company did not appoint any external remuneration consultants in FY2024.

Fair and Reasonable Termination Terms *(Provision 6.3)*

The RC has reviewed the Group's obligations arising in the event of termination of the Executive Director's and Key Management Personnel's contracts of service and is satisfied that termination terms are fair and reasonable and are not overly generous.

LEVEL AND MIX OF REMUNERATION

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

Remuneration of Executive Directors *(Provision 7.1, 7.3)*

The Company sets remuneration packages which:

(a) align interests of Executive Directors with those of shareholders;
(b) link rewards to corporate and individual performance; and
(c) are competitive and sufficient to attract, retain and motivate Directors and Key Management Personnel with adequate experience and expertise to manage the business and operations of the Group.

Executive Directors are compensated as part of the Key Management Personnel and therefore do not receive any Director's fee. The remuneration for Executive Directors comprises fixed component and bonus and other variable component. The fixed component comprises basic salary, the compulsory employer's contribution to the employee's CPF (Singapore Central Provident Fund) and benefits-in-kind; while the bonus and other variable component comprises performance bonus and annual profit sharing incentive bonus which is dependent on the Group's performance for the financial year.

Long-Term Incentive Scheme *(Practice Guidance 7)*

The Company does not have any long-term incentive scheme for its Directors and Key Management Personnel. There is also no policy which requires Non-Executive Directors to purchase shares in the Company and hold them till they leave the Board.

The Board believes that notwithstanding such absence, the Directors' and Key Management Personnel's interests in the Company are still in line with the interests of its shareholders.

Remuneration of Non-Executive Directors *(Provision 7.2)*

Non-Executive Directors are paid a basic member fee and an additional fee for serving on any of the Board Committees. In determining the quantum of such fees, factors such as frequency of meetings, time spent, responsibilities of Non-Executive Directors, and the need to be competitive in order to attract, motivate and retain these Directors are taken into account.

CORPORATE **GOVERNANCE**

The RC has assessed the adequacy and structure of remuneration framework of Non-Executive Directors taking into consideration the review conducted previously by the external consultant, AON Hewitt Singapore Pte Ltd in FY2019 with subsequent research carried out internally and has proposed to the Board the following framework under which the Director Fees are derived:

	Annual Fee ($)	
	Chairman	**Member**
Board	25,000	32,000
Audit and Risk Committee	18,000	12,000
Nominating Committee	9,000	3,000
Remuneration Committee	9,000	3,000

	Annual Fee ($)
Lead Independent Director	5,000

The Board has assessed and approved the remuneration framework and, based on the RC's recommendation, proposed an amount of up to $274,419 as Directors' fees for the financial year ending 30 June 2025 ("FY2025"), to be paid quarterly in arrears. The total amount of Directors' fees paid to the Directors for FY2024 was $316,000.

Directors' fees are only payable to Non-Executive Directors. The proposed Directors' fees for FY2025 are not payable to Executive Directors.

For the existing Independent Non-Executive Directors, the Board believes that they were not and will not be overcompensated to the extent that their independence may be compromised.

Incentive Components of Remuneration *(Practice Guidance 7)*

The Board has not introduced any contractual provisions to allow the Company to reclaim incentive components from Executive Directors and Key Management Personnel in exceptional circumstances including for example, misstatement of financial results, or misconduct resulting in financial loss to the Company.

DISCLOSURE ON REMUNERATION

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

Remuneration of Directors *(Provision 8.1, 8.3, Practice Guidance 8)*

No payment was made or granted to any Director, CEO or the top five (5) Key Management Personnel in relation to termination benefit in FY2024.

CORPORATE **GOVERNANCE**

However, a gratuity of $280,000 each was paid to Mr. Lim Chai Lai @ Louis Lim Chai Lai and Mr. Chia Ah Heng, whom both retired on 30 June 2024 from their executive roles in Lim Kim Hai Electric Co (S) Pte Ltd ("LKHE"), a wholly-owned subsidiary of the Company. The gratuity payment of $280,000 to each of Mr. Lim Chai Lai @ Louis Lim Chai Lai and Mr. Chia Ah Heng was on the recommendation of the RC and approved by the Board after taking into consideration and in recognition of their past contribution towards the success of the Group. Both Mr. Lim Chai Lai @ Louis Lim Chai Lai and Mr. Chia Ah Heng were re-designated from Executive Directors to Non-Executive Directors of LKHE with effect from 1 July 2024. Mr. Lim Chai Lai @ Louis Lim Chai Lai and Mr. Chia Ah Heng remain as Chairman and Deputy Chairman of the Board of LKHE respectively.

The remuneration of the Directors (including the CEO) for services rendered during FY2024 is as follows:

Name of Director	Remuneration ($'000)	Director's Fee	Salary & CPF	Bonus & Other Variable Components & Benefits-In-Kind	Total
Lim Boon Hock Bernard	1,097	–	45%	55%	100%
Lim Chye Huat @ Bobby Lim Chye Huat	82	91%	–	9%	100%
Soon Boon Siong	73	100%	–	–	100%
Lee Fang Wen	59	100%	–	–	100%
Renny Yeo Ah Kiang	59	100%	–	–	100%
Seow Boon Teng	50	100%	–	–	100%

Remuneration of Top Five Key Management Personnel *(Provision 8.1, 8.3, Practice Guidance 8)*

The table below sets out the remuneration received by the top five (5) Key Management Personnel of the Group (who are not Directors or the CEO) during FY2024.

Remuneration Band	Name	Director's Fee	Salary & CPF	Bonus & Other Variable Components & Benefits-In-Kind	Gratuity	Total
$550,000 to below $600,000	Lim Chai Lai @ Louis Lim Chai Lai	2%	40%	8%	50%	100%
$500,000 to below $550,000	Chia Ah Heng	2%	40%	7%	51%	100%
$350,000 to below $400,000	Lin Chen Mou	2%	61%	37%	–	100%
$300,000 to below $350,000	Ong Wee Heng	10%	73%	17%	–	100%
	Tan Yong Hwa	2%	62%	36%	–	100%

The aggregate remuneration paid to the above Key Management Personnel was $2.146 million in FY2024.

CORPORATE **GOVERNANCE**

No Director is involved in determining his/her own remuneration. The remuneration of the Non-Executive Directors is in the form of a fixed fee. The Director's fee of the Non-Executive Directors is subjected to shareholders' approval at the AGM of the Company.

Employee who is Substantial Shareholder or who is Related to Directors, CEO and Substantial Shareholders *(Provision 8.2)*

The following are employees whose remuneration exceeded $100,000 during FY2024 and who are substantial shareholders and/or immediate family members of Mr. Lim Chye Huat @ Bobby Lim Chye Huat and Mr. Lim Boon Hock Bernard and substantial shareholders, namely, Mdm. Pang Yoke Chun, Mr. Lim Boon Chin Benjamin, Mr. Lim Boon Hoh, Benedict, Mdm. Guah Li Mei, Joanna, Mr. Lim Chai Lai @ Louis Lim Chai Lai and Mdm. Chan Kum Lin.

		Relationship With							
		Non-Executive Chairman	CEO & Executive Director	Substantial Shareholder					
Remuneration Band	Employee's Name	Lim Chye Huat @ Bobby Lim Chye Huat	Lim Boon Hock Bernard*	Pang Yoke Chun*	Lim Boon Chin Benjamin	Lim Boon Hoh, Benedict#	Guah Li Mei, Joanna#	Lim Chai Lai @ Louis Lim Chai Lai^	Chan Kum Lin^
Refer to Directors Remuneration	Lim Boon Hock Bernard	Son		Husband	Brother	Brother	Brother-in-law	Nephew	Nephew-in-law
	Lim Chye Huat @ Bobby Lim Chye Huat		Father	Father-in-law	Father	Father	Father-in-law	Brother	Brother-in-law
Refer to Top Five Key Management Personnel Remuneration	Chia Ah Heng	Brother-in-law	Uncle	Uncle-in-law	Uncle	Uncle	Uncle-in-law	Brother-in-law	Brother-in-law
	Lim Chai Lai @ Louis Lim Chai Lai	Brother	Uncle	Uncle-in-law	Uncle	Uncle	Uncle-in-law		Husband
$100,000 to below $150,000	Lim Boon Hoh, Benedict	Son	Brother	Brother-in-law	Brother		Husband	Nephew	Nephew-in-law
	Lim Boon San Lionel	Nephew	Cousin	Cousin-in-law	Cousin	Cousin	Cousin-in-law	Son	Son
	Lim Chye Kwee	Brother	Uncle	Uncle-in-law	Uncle	Uncle	Uncle-in-law	Brother	Brother-in-law

* / # / ^ Husband and Wife, therefore, each are deemed to have an interest in shares of the spouse

As at the date of this Annual Report, Mr. Lim Chye Huat @ Bobby Lim Chye Huat (Non-Executive and Non-Independent Director and Chairman of the Board) is a substantial shareholder of the Company and Mr. Lim Boon Hock Bernard (Executive Director and CEO) is a controlling shareholder of the Company. Details of their remuneration for FY2024 are hereinbefore disclosed.

CORPORATE **GOVERNANCE**

Employee Share Scheme *(Provision 8.3)*

Employee Share Option Scheme

The Company does not have a share option scheme.

Remuneration and Performance *(Provision 8.1)*

The Company's remuneration framework for its Executive Directors is stated in "Remuneration of Executive Directors" of this Corporate Governance Report.

For Key Management Personnel, their remuneration comprises fixed component, bonus and other variable performance component. The fixed component comprises basic salary and the compulsory employer's contribution to the employee's CPF; while the bonus and other variable component and benefits comprise performance bonus, profit sharing and benefits-in-kind that are presented on the basis of cost incurred for the financial year. The bonus and other variable performance components amount are dependent on their individual performance as measured by their respective key performance indicators, as well as the performance of the Group as a whole.

The Company does not have any long-term incentive scheme as explained in "Long-Term Incentive Scheme" of this Corporate Governance Report.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

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

Accountability for Accurate Information *(Practice Guidance 9)*

In discharging its responsibility of providing accurate relevant information on a timely basis, the Board ensures that the Group's audited financial statements, half year and full year results announcements of the Group provide a balanced and understandable assessment of the Group's performance, position and prospects and that the results are released in a timely manner.

The half year and full year results announcements are reviewed and approved by the ARC and the Board before publication via SGXNET. Any material variances between the actual results and projections / previous periods are investigated and explained.

In accordance with the SGX-ST's requirements, the Board issues negative assurance statements in its half year interim financial results announcements confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the results announcements false or misleading in any material aspect.

CORPORATE **GOVERNANCE**

Compliance with Legislative and Regulatory Requirements

The Board is kept abreast of changes to the legislative and regulatory requirements by Management to ensure compliance with the Group's policies, practices and procedures and relevant legislative and regulatory requirements.

Management Accounts

Management updates the Board regularly on the Group's business activities and financial performance through providing management accounts and business reviews at quarterly Board meetings. Management also highlights major issues that are relevant to the Group's performance in order for the Board to make a balanced and informed assessment of the Group's performance, position and prospects.

Design, Implementation and Monitoring *(Provision 9.1, Practice Guidance 9)*

The Board recognises the importance of maintaining a sound system of risk management and internal controls to safeguard the shareholders' interests and the Group's assets. The Board, with the assistance from the ARC, oversees and ensures that such a system has been appropriately implemented and monitored.

Risk Management

The Board has approved a Risk Management Framework for identifying key risks within the business segments. The risks defined in the framework range from strategic risks, financial risks and operational risks that include compliance and information technology risks. The Group adopts a bottom-up approach to assess the risk exposure and designs treatment plan and remedial action. Risk types are assigned with risk exposure rating based on the likelihood and consequence of each risk identified. The risk exposure rating determines the extent of risk exposure and the treatment plan. The Group's risk management framework's focus is on building a culture where the Group mitigates its risk exposure by calibrating risks to acceptable levels while achieving the Group's business plans and goals.

The Board is responsible for overseeing the Group's Risk Management Framework and policies and ensures that Management maintains a sound system of risk management and internal controls.

Risk Management Principles

The risk management framework has been integrated throughout the Group and has become an essential part of its business planning and monitoring process. On an annual basis, the ARC will review and report to the Board on the Group's risk profile, evaluate results and control measures to mitigate or transfer identified potential risks so as to provide assurance to itself and the Board that the process is operating effectively as planned.

The Group recognises risk management as a collective effort, beginning with the individual subsidiaries and followed by the business segments and ultimately Management and the Board, working as a team. A self-assessment process, conducted annually by the respective Business Segment Senior Management, was introduced to ensure that the Group's risk management activities are in order.

Risks that affect the achievement of the business objectives and financial performance of the Group are being identified and reviewed based on current controls in place. Risks identified are rated in terms of likelihood and impact, entailing the tolerable exposures as well as those requiring close attention. The risk matrix tables summarised the top risks to the Group, which were derived through the risk rating and discussion with the Key Management Personnel of the respective subsidiaries.

CORPORATE GOVERNANCE

Risk Tolerance

The Group has three (3) risk tolerance guiding principles to determine the nature and extent of the significant risks, which the Group is willing to take in achieving its strategic objectives.

These principles are:

(a) Risk taken should be carefully evaluated, commensurate with rewards and in line with the Group's strategic objectives;
(b) Risk arising from a single area of operation, investment or undertaking, should not be so huge as to endanger the entire Group; and
(c) Risk arising from safety breaches or lapses, non-compliance with laws and regulations, fraud, bribery and corruption, are not acceptable.

The Group adopts a balanced approach to risk management. The Group recognises that not all risks can be eliminated and will only undertake appropriate and well-considered risks to optimise returns for the Group.

The Group remains vigilant against emerging threats that may affect the different businesses. The Group will regularly review its risk management system to ensure that it is adequate and effective.

The CEO and the Chief Financial Officer ("CFO") are responsible in implementing the Company's strategy, strengthening the Group's risk management culture, and ensuring the overall framework of risk management is comprehensive and responsive to changes in the business. They regularly review the completeness and accuracy of risk assessments, risk reporting and the adequacy of risk mitigation efforts. The CEO and the CFO, in turn, place reliance on their business segments to monitor and manage operational risks on an ongoing basis, as well as to identify emerging risks.

The Risk Management Framework is designed to provide reasonable, but not absolute, assurance that the Group's assets are safeguarded, the risks facing the business are being assessed and all information that may be required to be disclosed is reported to the Board through the ARC. The ARC has reviewed the current Risk Management Framework and together with the Board are of the view that it remains appropriate for FY2024.

Internal Controls

An internal control system has been implemented to enhance the Group's internal control function to address the financial, operational, compliance and information technology risks. The internal control measures aim to ensure that the Group's assets are safeguarded, proper accounting records are maintained, and financial information used within the business and for publication is reliable.

Staff / Director Securities Dealing Rules & Procedures

In compliance with Rule 1207(19) of the SGX-ST's Listing Manual, the Company's Internal Code Governing Dealings in Securities ("Internal Code") stipulate that:

(a) Officers of the Tai Sin Group should not deal in Tai Sin's securities on short term considerations;
(b) Tai Sin and its officers should not deal in the securities of Tai Sin while in possession of unpublished material price sensitive information; and
(c) Tai Sin and its officers should not deal in the securities of Tai Sin during the period commencing one (1) month before the announcement of its annual or half-year financial results, and ending on the date of announcement of the relevant results.

CORPORATE **GOVERNANCE**

The Company's Internal Code also reminds officers of the Tai Sin Group that the law on insider dealing is applicable at all times, notwithstanding that the Internal Code may provide certain window periods for Tai Sin or its officers to deal in its securities.

Adequacy and Effectiveness of Risk Management and Internal Control Systems

During the financial year under review, the ARC reviewed reports submitted by the Internal Auditors relating to the adequacy and effectiveness of the Group's internal controls, including the adequacy of the Group's financial, operational, compliance and information technology controls (collectively known as "internal controls"). Such reviews include discussions and follow-ups with Internal Auditors on their salient audit findings.

The Board acknowledges its responsibility for the Group's internal controls but recognises that no effective control system will completely eliminate the risk of misstatement or loss. Based on the internal controls established and maintained by the Group, the work performed by the Internal Auditors, the review undertaken by the External Auditors as part of their statutory audit, supervision by Management and in the absence of any evidence to the contrary, the Board, with the concurrence of the ARC, is of the opinion that the Group's existing system of internal controls is adequate and effective in addressing financial, operational, compliance and information technology risks as at 30 June 2024.

Board's Comment on Adequacy and Effectiveness of Internal Controls *(Provision 9.2)*

The ARC and the Board have received assurance:

(a) from the CEO and CFO that the financial records of the Group have been properly maintained and the financial statements for FY2024 give a true and fair view of the Group's operations and finances; and
(b) from the CEO and other Key Management Personnel that the system of risk management and internal controls in place within the Group is adequate and effective in addressing material risks in the Group in its present business environment including material financial, operational, compliance and information technology risks.

Based on the framework of risk management controls and internal controls established and maintained in the Group, the work performed by the internal auditors, the review undertaken by the external auditors as part of their statutory audit and the written assurance from the CEO and CFO that the financial records have been properly maintained, the Board is of the opinion that the Group's risk management and internal control systems are adequate and effective for FY2024.

The ARC concurs with the Board's comment that there are adequate and effective risk management and internal control systems in place to address risks relating to financial, operational, compliance and information technology controls and there were no material weaknesses of the Group's internal control and risk management systems identified during the year under review.

Risk Committee *(Provision 9.1, Practice Guidance 9)*

The responsibility of overseeing the Company's risk management framework and policies is undertaken by the ARC with the assistance of the internal and external auditors. Having considered the Company's business operations as well as its existing internal control and risk management systems, the Board is of the view that a separate risk committee is not required for the time being.

CORPORATE **GOVERNANCE**

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

ARC Membership *(Provision 1.4, 10.2)*

The current ARC comprises the following five (5) Directors all of whom are non-executive and the majority of whom, including the Chairman, are independent :

(a) Soon Boon Siong (Chairman)
(b) Lee Fang Wen
(c) Renny Yeo Ah Kiang
(d) Seow Boon Teng
(e) Lim Chye Huat @ Bobby Lim Chye Huat

Expertise of ARC Members

The ARC members bring with them invaluable professional expertise in the recommended accounting and/or related financial management domains. The Board has ensured that they are appropriately qualified to discharge their responsibilities.

Roles, Responsibilities and Authorities of ARC *(Provision 10.1)*

The ARC has explicit authority to investigate any matter within its Terms of Reference. It has full access to and has the full cooperation of the Company's Management. It has full discretion to invite any Director or executive officer to attend its meetings. In addition, the ARC has independent access to the Internal and External Auditors. The ARC has reasonable resources to enable it to discharge its functions properly.

The ARC is guided by its Terms of Reference which stipulate that its principal functions include:

(a) Reviewing the annual audit plans of the internal and external auditors as well as their audit findings and recommendations;
(b) Reviewing the adequacy and effectiveness of internal controls by considering written reports from internal and external auditors, and Management responses and actions to correct any deficiencies;
(c) Reviewing the assurance from the CEO and the CFO on the financial records and financial statements;
(d) Reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
(e) Reviewing the Group's results announcements and annual consolidated financial statements in conjunction with the External Auditor's comments before submitting to the Board for approval;
(f) Reviewing interested person transactions;
(g) Reviewing the adequacy, effectiveness and independence of internal audit function; and
(h) Reviewing the adequacy, effectiveness and independence of External Auditors, their fees and recommend the nomination of the External Auditors for appointment or re-appointment.

Meeting with External and Internal Auditors *(Provision 10.5)*

During FY2024, the Company's External and Internal Auditors were invited to attend the ARC meetings and make presentations where appropriate. They also met the ARC separately without the presence of Management to review matters that might be raised privately.

CORPORATE **GOVERNANCE**

Review of External Auditors' Independence *(Provision 10.1)*

The ARC reviewed the non-audit services provided by the External Auditors ("EA") as part of the ARC's assessment of the EA's independence. The ARC is satisfied that the nature and extent of such services would not conflict with the independence of the EA. The ARC is satisfied with the independence and objectivity of the EA. For FY2024, the aggregate fee of $538 thousand was paid to the EA of the Company, of which $62 thousand was for non-audit services.

Whistle-Blowing Policy *(Provision 10.1)*

To encourage proper work ethics and eradicate any internal improprieties, unethical acts, malpractices, fraudulent acts, corruption and/or criminal activities within the Group, the Company has established and put in place a Whistle-Blowing Policy. Procedures in place provide employees with well-defined and accessible channels within the Group for reporting suspected fraud, corruption, dishonest practices, or raise concerns, in confidence, about possible improprieties in financial reporting, business transactions or other matters. Details of this policy, in the native language depending in the country of operation of the Group has been disseminated and made available to all employees through the respective Human Resources Departments of the respective companies within the Group as part of the fraud control awareness program.

The ARC is responsible for the oversight and monitoring of whistleblowing and ensures that arrangements are in place for independent investigation of matters raised.

A whistle-blower can report to the ARC members directly via dedicated email (audit_committee@taisin.com.sg). The ARC will form an oversight committee and assign the Internal Auditor or such other person that it deems fit to conduct the investigation. The ARC shall provide direction and oversight to the Internal Auditor or such other person as the oversight committee shall deem appropriate.

All reports received shall be thoroughly investigated with great care and sensitivity by the oversight committee with the objective of finding evidence that either substantiates or refutes the claims made by the whistle-blower. The oversight committee may seek, at the expense of the Company, appropriate external advice where necessary. The oversight committee will report periodically to the ARC on the whistle-blowing cases under its review, updating the ARC on matters that have been resolved to their satisfaction and where necessary, may escalate cases for deliberation and further action by the ARC.

The Company ensures that the identity of the whistle-blower is kept confidential and is committed to ensure the whistleblower is protected against detrimental or unfair treatment. Investigation results are confidential and will not be disclosed or discussed with anyone, other than those with a legitimate need to know. The whistle-blowers will not be updated on the outcome of the investigations other than to receive confirmation that the matters have been dealt with by the ARC members.

Activities of ARC *(Provision 1.4, 10.1, 10.5)*

ARC Meetings

During FY2024, the ARC held four (4) scheduled meetings which all members attended as disclosed in this Corporate Governance Report. The CEO, CFO and other Key Management Personnel (as necessary) attended the meetings as well. The ARC was kept abreast by Management, Internal and External Auditors of developments in legislations and regulations such as changes to accounting standards and new SGX ST's listing rules and practice guidance which could have an impact on the Group's disclosure requirements.

CORPORATE GOVERNANCE

Review of Financial Statements

The ARC played a key role in reviewing the Company's half year and full year financial statements before submission to the Board for approval to release on SGXNET. In the review of the financial statements, the ARC had discussed with Management the significant accounting principles that were applied and its judgement and estimates of items that might affect the integrity of the financial statements. The ARC had in addition proposed amendments, where necessary, to the draft results announcements.

Meetings with Internal Auditors

The Internal Auditors ("IA") presented their internal audit findings of three (3) companies in the Group. After reviewing and discussing the findings, the ARC accepted Management's responses to the IA's recommendations and the same was then submitted to the Board for its concurrence. The ARC paid attention to any material weaknesses reported, the reasonableness of the financial reporting process, the system of internal controls and the significant comments and recommendations proposed to ensure that the Group maintains a sound system of internal controls.

The ARC was briefed by the IA on its Internal Audit Plan for FY2025. The said plan was accepted by the ARC without any amendments for the Board's concurrence.

In addition, without the presence of Management, the ARC has separately obtained feedback from the IA on the assistance it received from Management during the course of conducting the audits.

Meetings with External Auditors

The ARC met with the EA on two (2) occasions during FY2024. The first meeting was held in August 2023 where the EA, without the presence of Management, was asked among other matters, for their feedback on the support it received from Management. Additionally, the ARC was briefed on the findings and procedure performed to address the significant risks and areas of audit focus and their determination of Key Audit Matters ("KAMs") in our Annual Report. The EA's Independent Auditor's Report containing the KAMs for the financial year ended 30 June 2023 was published in the Annual Report 2023.

In the second meeting held in May 2024, the EA presented its Planning Report to the ARC for the financial year ending 30 June 2024. The ARC was briefed, amongst other matters, on the EA's risk assessment process and the methodology used in the selection of the significant risks and areas of audit focus and KAMs for the financial year ending 30 June 2024.

CORPORATE **GOVERNANCE**

The identified KAMs impacting the FY2024 financial statements are as follows:

KAMs	How the issues were addressed by the ARC
Provision for onerous contracts	The ARC reviewed Management's process over the monitoring and review of the provision for onerous contracts and the policy in place to determine the level of provision required. The ARC also evaluated the appropriateness of the Group's policy and basis used in the computation of the expected economic benefits and unavoidable costs in the onerous contracts that include copper prices, outstanding quantity of copper for delivery, hedged copper quantity, quantity of finished goods on hand that can be used to fulfil onerous contracts and percentage of copper costs in cables. After discussion, the ARC concluded that the method of estimating the value of provision for onerous contracts remains appropriate.
Allowance for inventories	The ARC reviewed Management's process over the monitoring and review of the allowance for inventories and the policy in place to determine the level of allowance required. The ARC also evaluated the appropriateness of the Group's policy and basis used in the computation of the allowances for inventories taking into consideration recently transacted prices or prices of past sales of similar inventories item. After discussion, the ARC concluded that the method of estimating the carrying value of inventories as well as the level of allowance remains appropriate.

Review of Re-appointment of External Auditors

The Board has accepted the ARC's recommendation to re-appoint Deloitte & Touche LLP ("D&T") as External Auditors at the 2024 AGM. The ARC's recommendation was made in compliance with Rule 712 of the SGX-ST's Listing Manual and having given due consideration to the adequacy of the resources, experience and competence of D&T. The ARC had also taken into account the Audit Quality Indicators relating to the experience of the engagement partner and key team members' experience; the audit hours spent by senior audit team members in auditing the Group; the training received by the audit team during the year; and the internal and external inspection results of senior team members. Furthermore, pursuant to Rule 1207(6) of the SGX-ST's Listing Manual, the ARC is of the opinion that D&T's provision of non-audit services to the Group during FY2024 would not affect their independence. D&T has also confirmed to the ARC that they are registered with the Accounting and Corporate Regulatory Authority.

With respect to Rule 715 (read with Rule 716) of the SGX-ST Listing Manual, D&T are the Auditors for all the Group's Singapore incorporated subsidiaries while some of its overseas incorporated subsidiaries and associated companies are audited by other audit firms as disclosed in the financial statements for FY2024. The ARC and Board are satisfied that their appointment would not compromise the standard and effectiveness of the audit of the Group.

Cooling-off Period for Partners or Directors of the Company's Auditing Firm *(Provision 10.3)*

No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the ARC. None of the ARC members have any financial interest in the Company's existing auditing firm or auditing corporation.

Internal Auditors *(Provision 10.4)* **& Rule 1207(10C) of SGX-ST's Listing Manual**

The ARC's responsibilities over the Group's internal controls and risk management are complemented by the work of the IA. The Company recognises and supports the fundamental principle of maintaining IA independence. For FY2024, the Company outsourced its internal audit function to UHY Lee Seng Chan & Co ("UHY-LSC"). The IA has unrestricted access to all the Company's documents, records, properties and personnel, including access to the ARC. The IA's primary line of reporting is to the Chairman of the ARC.

CORPORATE **GOVERNANCE**

UHY-LSC is a corporate member of the Institute of Internal Auditors Singapore. The engagement with the IA stipulates that its work shall comply with Business Process Auditing Methodology which is guided by the International Standards for the Professional Practice of Internal Auditing (IIA Standards) issued by the Institute of Internal Auditors.

UHY-LSC is a CPA firm established in 1967 and offering diversified business advisory services in Singapore and Malaysia (Johor Bahru and Kuala Lumpur). It is a member of UHY International, a leading network of independent accounting and consulting firms established in 1986, with offices in 330 major business centres across 100 countries.

The ARC decides on the appointment, termination and remuneration of the IA. The ARC has in its annual review in FY2024 determined that all the members of the UHY-LSC engagement team are independent and that UHY-LSC is adequately resourced with the engagement team being qualified, effective and experienced to act as the Company's IA by examining:

- the scope of the internal audits' work
- the quality of the report
- the independence of the areas reviewed.

With effect from the financial year ending 30 June 2025, with the approval of the ARC, which was concurred by the Board, the Company has appointed BDO Advisory Pte Ltd ("BDO") in place of UHY-LSC to undertake the function of an IA for the Group.

BDO is an international auditing firm and is the leading provider of professional services in Singapore and is a corporate member of the Institute of Internal Auditors Singapore. BDO is founded in 1972 and its network has representation in over 1,500 offices in more than 160 countries around the world and is ranked 5th in size worldwide. The firm has deep expertise and offers a broad range of specialist services including the provision of internal audit outsourcing services. Their clientele portfolios range from large corporate organisations, private businesses, non-profit organisations, families, entrepreneurs, and individuals across a wide range of industry sectors.

The IA engagement team servicing the Group comprises the Engagement Partner led by Mr. Koh Chin Beng together with his team of professionals with relevant qualifications and experience. Mr. Koh is a Chartered Accountant (Singapore) and Certified Internal Auditor and has close to 30 years of auditing experience. He is also a member of the International Internal Audit Standards Board (IIASB) and the Immediate Past President of the Institute of the Internal Auditors (IIA) Singapore.

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

Effective Participation and Voting by Shareholders at General Meetings *(Provision 11.1)*

All shareholders are informed of shareholders' meetings through notices contained in annual reports and circulars disseminated to them. These notices are also published in the local press and posted on SGXNET. Resolutions tabled at general meetings are voted on by poll, the procedures and rules under which are clearly explained at such general meetings.

CORPORATE **GOVERNANCE**

The Company supports active shareholder participation at general meetings. The shareholders are encouraged to attend these general meetings to ensure a high level of accountability and to stay informed of the Group's strategies and visions. These meetings also allow shareholders to raise relevant questions or seek clarification on the motions before they are put to the vote.

Separate Resolutions at General Meetings *(Provision 11.2, Practice Guidance 11)*

The Board ensures that resolutions to be tabled at general meetings are separate for each substantially separate issue, unless they are interdependent and linked so as to form one significant proposal. Where resolutions are bundled, the reasons and material implications are explained in the notice of general meeting to enable shareholders to make an informed decision.

Voting by Poll

The Company has adopted electronic poll voting at general meetings to promote greater transparency. The Company appoints a scrutineer at each general meeting and announces the voting decisions and outcomes by the commencement of the pre-opening session on the market day following the general meeting on SGXNET.

Absentia Voting *(Provision 11.4)*

Our Constitution currently does not, however, permit shareholders to vote at general meetings in absentia (such as via mail, email or fax). The Company has not amended its Constitution to provide for absentia voting, as it could be costly to implement, bearing in mind that the Company would need to implement preventive measures to guard against errors, fraud and other irregularities. The Company is of the opinion that despite its deviation from Provision 11.4 of the 2018 Code, shareholders nevertheless have opportunities to communicate their views on matters affecting the Company even when they are not in attendance at general meetings. For example, shareholders may appoint proxies to attend, speak and vote, on their behalf, at the respective general meetings on SGXNET.

Proxies for Nominee Companies

The Constitution of the Company allows each member to appoint up to two (2) proxies to attend general meetings. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.

"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore such as banking corporations and capital markets services license holders providing nominee and custodial services and the CPF Board in respect of shares purchased by CPF investors.

Attendance at General Meetings *(Provision 11.3)*

The Chairman of the Board and Directors attend AGMs and other general meetings held by the Company to address issues (if any) raised by shareholders. The External Auditors are also present at the AGMs to address shareholders' queries about the conduct of audit and the preparation and content of the auditor's report. All the Directors and the External Auditors attended the AGM held in October 2023.

CORPORATE **GOVERNANCE**

Minutes of General Meetings *(Provision 11.5)*

From year 2017, minutes of AGMs/general meetings as recorded by the Company Secretary include substantial and relevant queries from shareholders relating to the agenda of the AGMs/general meetings, and responses from the Board and Management.

From year 2020, minutes of AGMs/general meetings are released via SGXNET and on the Company's corporate website within the stipulated time from the date of the AGMs/general meetings.

Dividend Policy *(Provision 11.6)*

The Company has paid dividends to shareholders every year since its listing on the SGX-ST. While it does not have a dividend policy, the Board in considering the form, frequency and amounts of dividend, will take into account factors such as the Company's earnings, financial condition, capital requirements, business expansion plans and cash flow, with a view to pay a sustainable dividend over time, consistent with long-term growth prospects.

The Company is of the view that despite its deviation from Provision 11.6 of the 2018 Code, shareholders have the opportunity to communicate their views on matters affecting the Company, including the dividend payout in any given year. Notwithstanding the absence of a stated dividend policy, shareholders are able to express their views to the Company on matters relating to dividends, whether this is done at AGMs or otherwise, and due consideration is given to such feedback.

ENGAGEMENT WITH SHAREHOLDERS

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

Communication with Shareholders *(Provision 12.1, 12.2, 12.3)*

In line with the continuous disclosure obligations under the listing rules of the SGX-ST's Listing Manual, the Company releases comprehensive and accurate information in announcements to inform shareholders promptly of all major developments that may have material impact on the Group or may affect the price or value of the Company's shares.

Other channels of communication with shareholders include results announcements, annual reports, shareholder circulars and AGMs/general meetings. The Company's announcements, annual reports and all financial results are accessible to shareholders and the investing public on SGXNET and available through the Company's corporate website at www.taisinelectric.com. The corporate website and website also provides comprehensive and updated information on the Company and its business.

The Company attends to general enquiries from shareholders, investors, analysts and fund managers. The Company's Investor Relations Policy allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. The policy sets out the mechanism through which shareholders may contact the Company with questions or feedback and through which the Company may respond. The Company has a team of investor relations personnel to focus on facilitating communication with shareholders, investors, fund managers, analysts, media and other stakeholders on a regular basis, to attend to their queries or concerns as well as to keep the investing public apprised of the Company's corporate developments and financial performance.

CORPORATE **GOVERNANCE**

The Company does not practice selective disclosure of material information. Price sensitive information is first publicly released via SGXNET before the Company meets with any group of investors or analysts. Financial results and other price sensitive announcements concerning the Group's performance, position or prospects are presented in a balanced and understandable manner.

Dialogue with Shareholders *(Provision 12.3, Practice Guidance 12)*

The Company did not conduct any analyst briefings, investor roadshows or Investors' Day briefings during the financial year. However, sufficient time is allocated during and after each AGM for shareholders to express their views and give suggestions to Directors and senior management.

In addition, shareholders may pose their queries to the Company through the Company's Investor Relations email at ir@taisin.com.sg. These queries will be attended to by the Investor Relations Team.

Soliciting and Understanding Views of Shareholders *(Provision 12.1)*

Outside of the financial reporting periods, when necessary and appropriate, at the request of analysts and fund managers, the Group CEO and CFO will meet those analysts and fund managers who seek a better understanding of the Group's operations.

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Managing Needs and Interests of Stakeholders *(Provision 13.1, 13.2, 13.3, Practice Guidance 13)*

The Company's stakeholders include employees, contractors and suppliers, government and regulators, community, shareholders and investors. The Company engages these stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders. The Company discloses in its Sustainability Report, *inter alia*, its strategy and key areas of focus in relation to engagement and management of stakeholder relationships during the reporting period. Please refer to the Sustainability Report contained in this Annual Report for more details.

The Company makes available information that are relevant through Company's corporate website at www.taisinelectric.com to communicate and engage with stakeholders.

CORPORATE GOVERNANCE

CODE OF CONDUCT

The Company has adopted a suite of policies addressing Code of Conduct which defines the Group's business principles and practices with respect to matters which may have ethical implications.

Such policies have been disseminated and made available to all employees through the respective Human Resources Departments of the respective companies within the Group in the native language depending in the country of operation of the companies.

These policies provide a framework for employees to observe the Group's principles such as honesty, integrity, responsibility and accountability at all levels of the organisation and in the conduct of the Group's business with the various stakeholders.

INTERESTED PERSON TRANSACTIONS (RULE 907 OF SGX-ST LISTING MANUAL)

The Company does not have a shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual of the SGX-ST. During FY2024, there were no interested person transactions (excluding transactions less than $100,000) entered into by the Group.

APPOINTMENT OF EXTERNAL AUDITORS (RULE 1207(6) OF SGX-ST LISTING MANUAL)

In appointing the External Auditors of the Group, the Company is in compliance with Rules 712 and 715 (to be read with Rule 716) of the Listing Manual of the SGX-ST.

MATERIAL CONTRACTS (RULE 1207(8) OF SGX-ST LISTING MANUAL)

During FY2024, there were no material contracts of the Company or its subsidiaries involving the interests of the CEO, any Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

DEALINGS IN SECURITIES (RULE 1207(19) OF SGX-ST LISTING MANUAL)

The Company has adopted an Internal Code Governing Dealings in Securities in line with Rule 1207(19) of SGX-ST Listing Manual.

This Internal Code provides guidance and prescribes the internal regulations with regards to dealings in the Company's securities by its officers, stipulating that:

(a) Officers of the Tai Sin Group should not deal in Tai Sin's securities on short term considerations;
(b) Tai Sin and its officers should not deal in the securities of Tai Sin while in possession of unpublished material price sensitive information: and
(c) Tai Sin and its officers should not deal in the securities of Tai Sin during the period commencing one (1) month before the announcement of its annual or half-year financial results, and ending on the date of announcement of the relevant results.

DIRECTORS' **STATEMENT**

The directors present their statement together with the audited consolidated financial statements of the group and statement of financial position and statement of changes in equity of the company for the financial year ended 30 June 2024.

In the opinion of the directors, the consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company as set out on pages 80 to 178 are drawn up so as to give a true and fair view of the financial position of the group and of the company as at 30 June 2024, and the financial performance, changes in equity and cash flows of the group and changes in equity of the company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts when they fall due.

1 DIRECTORS

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

Executive

Lim Boon Hock Bernard (Chief Executive Officer)

Non-executive

Lim Chye Huat @ Bobby Lim Chye Huat
Soon Boon Siong
Lee Fang Wen
Renny Yeo Ah Kiang
Seow Boon Teng

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate.

DIRECTORS' STATEMENT

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the financial year had no interests in the share capital and debentures of the company and related corporations as recorded in the Register of Directors' Shareholdings kept by the company under Section 164 of the Companies Act 1967 except as follows:

	Shareholdings registered in name of directors		Shareholdings in which directors are deemed to have an interest	
Name of directors and company in which interests are held	**At beginning of year**	**At end of year**	**At beginning of year**	**At end of year**
Tai Sin Electric Limited	Number of shares			
Lim Chye Huat @ Bobby Lim Chye Huat	30,436,234	31,396,534	–	–
Lim Boon Hock Bernard	76,144,941	76,149,241	4,606,989	5,313,089

The directors' interests in the shares of the company at 21 July 2024 were the same as at 30 June 2024.

4 SHARE OPTIONS

(a) Option to take up unissued shares

During the financial year, no option to take up unissued shares of the company or any corporation in the group was granted.

(b) Option exercised

During the financial year, there were no shares of the company or any corporation in the group issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the company or any corporation in the group under option.

DIRECTORS' STATEMENT

5 AUDIT AND RISK COMMITTEE

The Audit and Risk Committee of the company is chaired by Soon Boon Siong, an independent director, and includes Lee Fang Wen, Lim Chye Huat @ Bobby Lim Chye Huat, Renny Yeo Ah Kiang and Seow Boon Teng (appointed on 1 July 2023), all of whom are independent directors except for Lim Chye Huat @ Bobby Lim Chye Huat. The Audit and Risk Committee has met four times since the last Annual General Meeting ("AGM") and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the company:

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

b) the group's financial and operating results and accounting policies;

c) the audit plans of the external auditors;

d) the financial statements of the company and the consolidated financial statements of the group before their submission to the directors of the company and external auditors' report on those financial statements;

e) the half-yearly and annual announcements as well as the related press releases on the results and financial position of the company and the group;

f) the co-operation and assistance given by management to the group's external and internal auditors; and

g) the re-appointment of the external auditors of the group.

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

The Audit and Risk Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the company at the forthcoming AGM of the company.

DIRECTORS' STATEMENT

6 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

....
Lim Boon Hock Bernard

....
Lim Chye Huat @ Bobby Lim Chye Huat

30 September 2024

INDEPENDENT AUDITOR'S **REPORT**

To the Members of Tai Sin Electric Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Tai Sin Electric Limited (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 30 June 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the group and the statement of changes in equity of the company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 80 to 178.

In our opinion, the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the group and the financial position of the company as at 30 June 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and of the changes in equity of the company 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 *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.

INDEPENDENT AUDITOR'S **REPORT**

To the Members of Tai Sin Electric Limited

Key Audit Matters

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

Key audit matters	How the matter was addressed in the audit
Provision for onerous contracts	
The group enters into sales contracts with customers for delivery of cables at a fixed sales price. The group's gross margins under such contracts are exposed to the fluctuations in copper prices as the costs of manufacturing cables for delivery fluctuates while sales prices remain fixed. At each reporting date, management makes an assessment whether contracts are deemed onerous using outstanding quantity for copper delivery and prevailing copper prices. As at 30 June 2024, the prevailing copper price is higher than the fixed sales price of certain contracts with deliveries expected between one to three years in the future and the group recorded a provision for onerous contract amounting to \$4.08 million (2023: \$7.89 million). During the year, the group recorded a reversal of provision for onerous contracts amounting to \$3.81 million (2023 : \$4.67 million) to cost of sales. This assessment involves the exercise of significant judgement in determining the estimates of unavoidable costs to fulfill contract, which include copper prices, outstanding quantity of copper for future delivery, timing of future delivery, hedged copper quantity, quantity of finished goods on hand that can be used to fulfil onerous contracts, percentage of copper costs in cables, and whether the provision for onerous contracts is adequate. The group's disclosure on provision for onerous contracts is set out in Note 25 to the financial statements.	We performed procedures to understand management's process over the monitoring and review of the provision for onerous contracts and the policy in place to determine the level of provision required. We discussed with management and evaluated the appropriateness of the group's policy and basis used in the assessment of provision for onerous contracts, and recalculated the provision recorded, including testing the completeness and accuracy of the contracts data used on a sample basis. We also assessed the reasonableness of the assumptions used in the computation of the expected economic benefits and the unavoidable costs in the onerous contracts. Assumptions and unavoidable costs reviewed include: copper prices, outstanding quantity of copper for delivery, hedged copper quantity, quantity of finished goods on hand that can be used to fulfil onerous contracts and percentage of copper costs in cables. We assessed the adequacy of disclosures made by management in respect of provision for onerous contracts.

INDEPENDENT AUDITOR'S **REPORT**

To the Members of Tai Sin Electric Limited

Key audit matters	How the matter was addressed in the audit
<u>Allowance for inventories</u>	
As at 30 June 2024, the group holds significant inventories carried at the lower of cost and net realisable value of $103.37 million (2023 : $101.17 million), representing 41.13% (2023 : 42.82%) of the group's current assets. Such inventories comprise cable and wire products, electrical and electronic components and products, and lights and lighting components. The determination of the net realisable value of inventories is dependent on the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution. This assessment involves the exercise of significant judgement in determining the allowance for inventories which include the age and type of inventory items, likelihood of obsolescence, past history of sales, the condition of the inventory items, the demand for the products and whether the allowance for inventories is adequate such that they are carried in the group's accounting records at the lower of cost or net realisable value. The group's disclosure on inventories is set out in Note 11 to the financial statements.	We performed procedures to understand management's process over monitoring and review of the allowance for inventories and policy in place to determine the level of allowance required. We discussed with management and evaluated the appropriateness of the group's policy and basis used in the assessment of allowance for inventories, and recalculated the allowance recorded, including testing the accuracy of the aging data used on a sample basis. We also assessed the reasonableness of the level of allowance recorded by comparing to recently transacted prices or prices of past sales of similar cable and wire products, electrical and electronic components and products, and light and lighting components. We assessed the adequacy of disclosures made by management in respect of allowance for inventories.

Information other than the Financial Statements and Auditor's Report Thereon

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 Tai Sin Electric Limited

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:

a) 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.

b) 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.

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

d) 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.

INDEPENDENT AUDITOR'S **REPORT**

To the Members of Tai Sin Electric Limited

e) 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.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year 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 subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Kong Lai San.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

30 September 2024

STATEMENTS OF FINANCIAL POSITION

30 June 2024

	Note	Group		Company	
		2024	2023	2024	2023
		$'000	$'000	$'000	$'000
ASSETS					
Current assets					
Cash and bank balances	6	27,417	32,003	7,701	9,212
Trade receivables	7	108,705	92,427	51,073	45,855
Other receivables	8	7,915	5,645	2,162	2,077
Contract assets	9	3,190	2,617	–	–
Derivative financial instruments	10	741	2,248	740	2,253
Inventories	11	103,369	101,168	57,881	52,698
Assets classified as held for sale	12	–	169	–	–
Total current assets		251,337	236,277	119,557	112,095
Non-current assets					
Other receivables	8	215	361	100	100
Derivative financial instruments	10	–	3	–	3
Subsidiaries	13	–	–	55,734	49,315
Associates	14	12,418	12,040	–	–
Other investments		6	6	–	–
Property, plant and equipment	15	38,578	38,061	11,437	10,595
Right-of-use assets	16	9,653	11,287	3,518	3,770
Investment properties	17	2,551	2,615	–	–
Goodwill	18	129	129	–	–
Intangible assets	19	–	–	–	–
Deferred tax assets	20	775	1,292	667	1,200
Total non-current assets		64,325	65,794	71,456	64,983
Total assets		315,662	302,071	191,013	177,078
LIABILITIES AND EQUITY					
Current liabilities					
Bank borrowings	21	47,307	33,526	22,751	6,016
Trade payables	22	23,386	23,606	10,004	11,554
Other payables	23	10,339	10,883	3,499	3,164
Contract liabilities	24	4,569	3,179	13	29
Provision for onerous contracts	25	4,077	7,886	4,077	7,886
Lease liabilities	26	1,360	1,203	401	338
Income tax payable		3,205	3,040	1,845	1,427
Total current liabilities		94,243	83,323	42,590	30,414
Non-current liabilities					
Other payables	23	200	195	–	–
Lease liabilities	26	11,102	10,991	3,409	3,686
Derivative financial instruments	10	1	–	1	–
Deferred tax liabilities	20	1,466	807	–	–
Total non-current liabilities		12,769	11,993	3,410	3,686

See accompanying notes to financial statements.

STATEMENTS OF **FINANCIAL POSITION (CONT'D)**

30 June 2024

		Group		Company	
	Note	2024	2023	2024	2023
		$'000	$'000	$'000	$'000
Capital, reserves and non-controlling interests					
Share capital	27	63,712	63,712	63,712	63,712
Treasury shares	28	(950)	(950)	(950)	(950)
Reserves	29	144,122	142,044	82,251	80,216
Equity attributable to the owners of the company		206,884	204,806	145,013	142,978
Non-controlling interests		1,766	1,949	–	–
Total equity		208,650	206,755	145,013	142,978
Total liabilities and equity		315,662	302,071	191,013	177,078

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 June 2024

	Note	Group 2024 $'000	Group 2023 $'000
Revenue	30	400,680	421,726
Cost of sales		(334,250)	(355,072)
Gross profit		66,430	66,654
Other operating income	31	5,486	5,000
Selling and distribution expenses		(23,017)	(24,088)
Administrative expenses		(22,460)	(21,731)
Other operating expenses		(4,275)	(2,788)
Finance costs	32	(2,262)	(2,154)
Share of profit of associates	14	523	499
Profit before income tax		20,425	21,392
Income tax expense	33	(5,679)	(4,582)
Profit for the year	34	14,746	16,810
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(1,680)	(3,004)
Changes in share of other comprehensive (loss) income of associates	14	(89)	23
Other comprehensive loss for the year, net of tax		(1,769)	(2,981)
Total comprehensive income for the year		12,977	13,829
Profit for the year attributable to:			
Owners of the company		14,597	16,674
Non-controlling interests		149	136
		14,746	16,810
Total comprehensive income attributable to:			
Owners of the company		12,894	13,728
Non-controlling interests		83	101
		12,977	13,829
Earnings per share			
Basic (cents)	35	3.17	3.62
Diluted (cents)	35	3.17	3.62

See accompanying notes to financial statements.

STATEMENTS OF **CHANGES IN EQUITY**

Year ended 30 June 2024

	Note	Share capital	Treasury shares	Reserves: Foreign currency translation reserve	Reserves: Other reserve	Reserves: Accumulated profits	Equity attributable to shareholders of the company	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group									
Balance at 1 July 2022		63,712	(950)	(891)	(1,117)	140,935	201,689	1,878	203,567
Total comprehensive income (loss) for the year:									
Profit for the year		–	–	–	–	16,674	16,674	136	16,810
Other comprehensive loss for the year		–	–	(2,946)	–	–	(2,946)	(35)	(2,981)
Total		–	–	(2,946)	–	16,674	13,728	101	13,829
Transactions with owners, recognised directly in equity:									
Share of post-acquisition reserve from an associate		–	–	–	205	–	205	–	205
Dividend paid to non-controlling interests		–	–	–	–	–	–	(30)	(30)
Final dividend for the previous financial year paid	36	–	–	–	–	(7,364)	(7,364)	–	(7,364)
Interim dividend for the financial year paid	36	–	–	–	–	(3,452)	(3,452)	–	(3,452)
Total		–	–	–	205	(10,816)	(10,611)	(30)	(10,641)
Balance at 30 June 2023		63,712	(950)	(3,837)	(912)	146,793	204,806	1,949	206,755

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Year ended 30 June 2024

	Note	Share capital	Treasury shares	Reserves: Foreign currency translation reserve	Reserves: Other reserve	Accumulated profits	Equity attributable to shareholders of the company	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group									
Balance at 1 July 2023		63,712	(950)	(3,837)	(912)	146,793	204,806	1,949	206,755
Total comprehensive income (loss) for the year:									
Profit for the year		–	–	–	–	14,597	14,597	149	14,746
Other comprehensive loss for the year		–	–	(1,703)	–	–	(1,703)	(66)	(1,769)
Total		–	–	(1,703)	–	14,597	12,894	83	12,977
Transactions with owners, recognised directly in equity:									
Non-controlling interest arising from an increase in the share capital of a subsidiary		–	–	–	–	–	–	35	35
Dividend paid to non-controlling interests		–	–	–	–	–	–	(301)	(301)
Final dividend for the previous financial year paid	36	–	–	–	–	(7,364)	(7,364)	–	(7,364)
Interim dividend for the financial year paid	36	–	–	–	–	(3,452)	(3,452)	–	(3,452)
Total		–	–	–	–	(10,816)	(10,816)	(266)	(11,082)
Balance at 30 June 2024		63,712	(950)	(5,540)	(912)	150,574	206,884	1,766	208,650

See accompanying notes to financial statements.

STATEMENTS OF **CHANGES IN EQUITY (CONT'D)**

Year ended 30 June 2024

	Note	Share capital $'000	Reserves Treasury shares $'000	Accumulated profits $'000	Total equity $'000
Company					
Balance at 1 July 2022		63,712	(950)	75,125	137,887
Profit for the year, representing total comprehensive income for the year		–	–	15,907	15,907
Transactions with owners, recognised directly in equity:					
Final dividend for the previous financial year paid	36	–	–	(7,364)	(7,364)
Interim dividend for the financial year paid	36	–	–	(3,452)	(3,452)
Total		–	–	(10,816)	(10,816)
Balance at 30 June 2023		63,712	(950)	80,216	142,978
Profit for the year, representing total comprehensive income for the year		–	–	12,851	12,851
Transactions with owners, recognised directly in equity:					
Final dividend for the previous financial year paid	36	–	–	(7,364)	(7,364)
Interim dividend for the financial year paid	36	–	–	(3,452)	(3,452)
Total		–	–	(10,816)	(10,816)
Balance at 30 June 2024		63,712	(950)	82,251	145,013

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 June 2024

	Group	
	2024	2023
	$'000	$'000
Operating activities		
Profit before income tax	20,425	21,392
Adjustments for:		
Depreciation of property, plant and equipment	5,636	5,087
Depreciation of investment properties	48	55
Depreciation of right-of-use assets	1,615	1,666
Interest income	(156)	(262)
Interest expense	2,262	2,154
Gain on disposal of property, plant and equipment	(201)	(52)
Gain on disposal of right-of-use assets	(1)	–*
Gain on disposal of assets classified as held for sale	(5)	–
Loss on disposal of investment property	–	4
Property, plant and equipment written off	45	63
Bad debts recovered	(15)	(8)
Loss allowance for (Reversal of) trade and other receivables	402	(846)
Reversal of provision for onerous contracts	(3,809)	(4,671)
Inventories written off	289	223
Allowance for inventories obsolescence	31	57
Loss on revaluation of other investments	–*	1
Impairment loss on property, plant and equipment	893	–
Impairment loss on right-of-use assets	1,430	2,706
Fair value adjustments on derivative financial instruments taken to profit or loss	1,511	(644)
Share of profit of associates	(523)	(499)
Exchange differences	(879)	(202)
Operating cash flows before movement in working capital	28,998	26,224
Trade receivables [(a)]	(17,151)	16,401
Other receivables	(2,110)	(1,667)
Contract assets	(631)	260
Inventories	(3,116)	(4,567)
Trade payables	26	(14,805)
Other payables	(510)	(612)
Contract liabilities	1,468	753
Cash generated from operations	6,974	21,987
Income tax paid	(4,370)	(3,902)
Net cash from operating activities	2,604	18,085

* Amount less than $1,000.

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

Year ended 30 June 2024

	Group	
	2024	2023
	$'000	$'000
Investing activities		
Acquisition of a subsidiary (net of cash acquired) (Note 40)	–	(795)
Purchase of property, plant and equipment	(7,464)	(5,017)
Proceeds from disposal of property, plant and equipment	262	119
Proceeds from disposal of investment property	–	127
Proceeds from disposal of an asset classified as held for sale	172	–
Dividend received from an associate	56	90
Interest received	156	262
Net cash used in investing activities	(6,818)	(5,214)
Financing activities		
Proceeds from bank borrowings	133,467	159,727
Repayment of bank borrowings	(119,504)	(155,830)
Repayment of principal portion of lease liabilities	(1,169)	(935)
Interest paid	(2,262)	(2,154)
Dividends paid	(10,816)	(10,816)
Dividends paid to non-controlling interests [(b)]	(266)	(30)
Net cash used in financing activities	(550)	(10,038)
Net (decrease) increase in cash and cash equivalents	(4,764)	2,833
Cash and cash equivalents at beginning of year	32,003	29,196
Effects of exchange rate changes on the balance of cash held in foreign currencies	178	(26)
Cash and cash equivalents at end of year	27,417	32,003

Note:

(a) Purchase of investment property

During the last financial year ended 30 June 2023, the group acquired investment property with an aggregate cost of $312,000 by means of settlement with trade receivables.

(b) Dividends paid to non-controlling interests

During the financial year ended 30 June 2024, CAST Laboratories Pte Ltd recognised an increase in investment in PT CAST Laboratories Indonesia by means of dividends paid to non-controlling interest of $35,000.

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

30 June 2024

1 GENERAL

The company (Registration No. 198000057W) is incorporated in Singapore with its principal place of business and registered office at 24 Gul Crescent, Singapore 629531. The company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

The principal activities of the company are that of cable and wire manufacturer and dealer in such products and investment holding.

The principal activities of the subsidiaries and associates are stated in Notes 13 and 14 respectively to the financial statements.

The consolidated financial statements of the group and statement of financial position and statement of changes in equity of the company for the year ended 30 June 2024 were authorised for issue by the Board of Directors on 30 September 2024.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the historical cost basis except as disclosed in the material accounting policy information, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

1.2 Adoption of new and revised standards

On 1 July 2023, the group and the company adopted all the new and revised SFRS(I) Accounting Standards that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements except as below.

<u>Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies</u>

The group has adopted the amendments to SFRS(I) 1-1 for the first time in the current year. The amendments change the requirements in SFRS(I) 1-1 with regard to disclosure of accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in SFRS (I) 1-1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The group has applied materiality guidance in SFRS(I) Practice Statement 2 in identifying its material accounting policy information for disclosures in the related notes. The previous term 'significant accounting policies' used throughout the financial statements has been replaced with 'material accounting policy information'.

NOTES TO **FINANCIAL STATEMENTS**

30 June 2024

1 GENERAL (CONT'D)

1.2 Adoption of new and revised standards (cont'd)

Amendments to SFRS(I) 1-12: International Tax Reform – Pillar Two Model Rules

The group has adopted the amendments to SFRS(I) 1-12 for the first time in the current year. The scope of SFRS(I) 1-12 was amended to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD"), including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in SFRS(I) 1-12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the group is required to disclose that is has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

The amendments have no impact on the group and the company in the current year as management has determined that the group is not in scope of the Pillar Two model rules.

Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The group has adopted the amendments to SFRS(I) 1-12 for the first time in the current year. The amendments narrow the scope of the initial recognition exemption, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences (e.g. leases and decommissioning obligations). Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

The group had previously recognised deferred tax for leases on an aggregate temporary difference basis. Following the amendments, the company is required to recognise separately deferred tax asset and deferred tax liability for the deductible and taxable temporary differences in relation to its lease liabilities and right-of-use assets respectively, which are now disclosed in Note 20. There was no impact to the opening retained earnings as at 1 July 2023 as a result of the change, and there was also no impact on the statement of financial position as the resulting deferred tax consequences qualify for offsetting under SFRS(I) 1-12.

NOTES TO FINANCIAL STATEMENTS

30 June 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

SUBSIDIARIES – Subsidiaries are entities controlled by the group. Control is achieved when the group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. Details of the group's significant subsidiaries and composition of the group are disclosed in Note 13.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company and its subsidiaries. Control is achieved when the company:

- Has power over the investee;

- Is exposed, or has rights, to variable returns from its involvement with the investee; and

- Has the ability to use its power to affect its returns.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

NOTES TO FINANCIAL STATEMENTS

30 June 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

When the company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including:

- The size of the company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the company gains control until the date when the company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the group's ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

NOTES TO FINANCIAL STATEMENTS

30 June 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

When the group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable SFRS(I) Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

In the company's financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS - Acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the group to the former owners of the acquiree and equity interests issued by the group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefits arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;

- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the group entered to replace share-based payment arrangements of the acquiree are measured in accordance with SFRS(I) 2 *Share-based Payment* at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale* and Discontinued Operations are measured in accordance with that Standard.

When the consideration transferred by the group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

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

NOTES TO
FINANCIAL STATEMENTS
30 June 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the statement of financial position when the group or the company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

<u>Classification of financial assets</u>

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

NOTES TO
FINANCIAL STATEMENTS

30 June 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial assets (cont'd)

Despite the aforegoing, the group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and

- the group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "Other operating income" line item.

NOTES TO **FINANCIAL STATEMENTS**

30 June 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial assets (cont'd)

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The group has not designated any debt instruments as at FVTPL.

- financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "Other operating income" line item (Note 31). Fair value is determined in the manner described in Note 4(b)(vi).

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "Other operating income" line item; and

- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "Other operating income" line item.

Impairment of financial assets

The group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, contract assets, as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using an allowance matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

NOTES TO FINANCIAL STATEMENTS

30 June 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial assets (cont'd)

Impairment of financial assets (cont'd)

For all other financial instruments, the group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the group's core operations, namely cables and wires manufacturing and trading, electrical materials distribution, switchboards manufacturing and trading, and testing and inspection services.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

NOTES TO **FINANCIAL STATEMENTS**

30 June 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial assets (cont'd)

Significant increase in credit risk (cont'd)

Despite the aforegoing, the group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

For loan commitments and financial guarantee contracts, the date that the group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the group considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the group considers the changes in the risk that the specified debtor will default on the contract.

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the group, in full (without taking into account any collaterals held by the group).

Irrespective of the above analysis, the group considers that default has occurred when a financial asset is more than 90 days past due unless the group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO FINANCIAL STATEMENTS

30 June 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial assets (cont'd)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower; or

b) a breach of contract, such as a default or past due event; or

c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the group expects to receive, discounted at the original effective interest rate.

NOTES TO
FINANCIAL STATEMENTS
30 June 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial assets (cont'd)

Measurement and recognition of expected credit losses (cont'd)

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- nature of financial instruments (i.e. the group's trade and other receivables, finance lease receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- past-due status;
- nature, size and industry of debtors;
- nature of collaterals for finance lease receivables; and
- external credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date.

The group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS

30 June 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial assets (cont'd)

Derivative financial instruments

The group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risk and copper price risk, including foreign exchange forward contracts and copper contracts. The group does not use derivative financial instruments for speculative purposes. Further details of derivative financial instruments are disclosed in Note 10 to the financial statements.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The group does not apply hedge accounting on derivative financial instruments.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

NOTES TO
FINANCIAL STATEMENTS
30 June 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial liabilities and equity instruments (cont'd)

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "Other operating income" (Note 31) or "Other operating expenses" line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Leases

The group as lessee

The group assesses whether a contract is or contains a lease, at inception of the contract. The group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate specific to the lessee.

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

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

NOTES TO
FINANCIAL STATEMENTS
30 June 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Leases (cont'd)

The group as lessee (cont'd)

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

NOTES TO
FINANCIAL STATEMENTS
30 June 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Leases (cont'd)

The group as lessee (cont'd)

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The group as lessor

The group enters into lease agreements as a lessor with respect to its investment properties.

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

When a contract includes lease and non-lease components, the group applies SFRS(I) 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Inventories comprise cable and wire products, electrical and electronic components and products, lights and lighting components by the various subsidiaries and raw materials, work-in-progress and finished goods for the company and other manufacturing entities. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

For manufacturing entities, the cost of raw materials, work-in-progress and finished goods for manufacturing entities are calculated using the weighted-average method. The cost of inventories for trading is calculated on a weighted average basis, and for some electrical products are calculated using first in, first out method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

NOTES TO FINANCIAL STATEMENTS

30 June 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS - Property, plant and equipment and right-of-use assets are carried at cost less accumulated depreciation and any impairment losses.

Depreciation is charged so as to write off the cost of assets, other than freehold land, over their estimated useful lives, using the straight-line method, on the following bases:

Freehold property	-	2% to 2.50%
Leasehold land and buildings	-	1.75% to 20%
Office equipment and furniture	-	7.50% to 33%
Plant and machinery	-	10% to 33%
Motor vehicles	-	10% to 20%

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is not provided on freehold land.

Fully depreciated assets still in use are retained in the financial statements.

Right-of-use assets are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

INVESTMENT PROPERTIES - Investment properties, which are properties held to earn rentals, is carried at cost less accumulated depreciation and any impairment losses. Depreciation is charged so as to write off the cost of the investment property over its estimated useful life at an annual rate of 2.50% using the straight-line method.

The estimated useful life, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

INTANGIBLE ASSETS - Intangible assets acquired in a business combination are identified and recognised separately from goodwill if the assets and their fair values can be measured reliably. The cost of such intangible assets is their fair value as at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated impairment losses, on the same basis as intangible assets acquired separately.

NOTES TO **FINANCIAL STATEMENTS**

30 June 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised on a straight-line basis over the estimated useful lives. The amortisation period and method are reviewed at least at each financial year end.

Intangible assets relating to customer relationships acquired in a business combination have finite useful lives and are measured at cost less accumulated amortisation and impairment losses. The customer relationships are amortised on a straight-line basis over their estimated useful lives and recorded as part of "Selling and distribution expenses" in the consolidated statement of profit or loss and other comprehensive income. Their estimated useful lives are as follows:

Customer relationships	-	9 years

IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, the group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

NOTES TO FINANCIAL STATEMENTS

30 June 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

ASSOCIATE - An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of an associate are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the group's share of the profit or loss and other comprehensive income of the associate. When the group's share of losses of an associate exceeds the group's interest in that associate (which includes any long-term interests that, in substance, form part of the group's net investment in the associate), the group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of SFRS(I) 1-36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

The group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the group retains an interest in the former associate and the retained interest is a financial asset, the group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

NOTES TO **FINANCIAL STATEMENTS**

30 June 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

When the group reduces its ownership interest in an associate but the group continues to use the equity method, the group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the group, profits and losses resulting from the transactions with the associate are recognised in the group's consolidated financial statements only to the extent of interests in the associate that are not related to the group.

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 the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract which include both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. Before a separate provision for an onerous contract is established, the group recognises any impairment loss that has occurred on assets used in fulfilling the contract.

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the group will comply with the conditions attaching to them and the grants will be received. Government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit or loss in the period in which they become receivable.

NOTES TO FINANCIAL STATEMENTS

30 June 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

REVENUE RECOGNITION - Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

Sale of goods

The group sells various cables and wires, electrical materials, and switchboards. Revenue is recognised at a point in time when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customers have full discretion over the manner of which the goods are used. A receivable is recognised by the group when the goods are delivered to the customers as per terms of sale, which represent the point in time at which the group's right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Rendering of services

The group provides laboratory test on building and civil engineering materials, surveillance as well as media services. Revenue is recognised at the point in time when control of the laboratory test report and surveillance media report are transferred to the customer.

The group also provides destructive and non-destructive tests on steel and concrete, geotechnical related soil boring and testing, and provision of independent inspection services, robotics construction monitoring and aerial surveys. Such services are recognised as a performance obligation satisfied over time. Revenue is recognised for these testing and inspection services based on the stage of completion of the contract. Management has assessed that the stage of completion determined based on surveyors' certificates at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations under SFRS(I) 15. Payment for the testing and inspection services is not due from the customer until the services are completed and therefore a contract asset is recognised over the period in which the services are performed representing the entity's right to consideration for the services performed to date.

Interest income

Interest income is accrued on a time-proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income

Dividend income is recognised when the shareholders' right to receive payment have been established.

BORROWING COSTS - Borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

NOTES TO **FINANCIAL STATEMENTS**

30 June 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the company and its subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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.

NOTES TO FINANCIAL STATEMENTS
30 June 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are presented in Singapore dollars, which is the functional currency of the company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into to hedge certain foreign currency risks (see above under hedge accounting); and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

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2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

On the disposal of a foreign operation (i.e. a disposal of the group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) Critical judgements in applying the group's material accounting policies

In the process of applying the group's material accounting policies, which are described in Note 2, management is not aware of any judgements that have significant effect on the amounts recognised in the financial statements, apart from those involving estimations as discussed below.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of specific assets and liabilities within the next financial year, are related to the following areas, and further explained in the respective notes:

i) Note 7 "Trade receivables": *Allowance for trade receivables*

ii) Note 11 "Inventories": *Allowance for inventories*

iii) Note 13 and Note 14 "Subsidiaries" and "Associates": *Impairment of investments in subsidiaries and associates*

iv) Note 15 and 16 "Property, plant and equipment" and "Right-of-use assets": *Impairment of property, plant and equipment ("PPE") and right-of-use assets ("ROUA")*

v) Note 25 "Provision for onerous contracts": *Provision for onerous contracts*

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FINANCIAL STATEMENTS
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4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting year.

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Financial assets				
Financial assets at amortised costs	137,831	126,131	59,871	56,360
Derivative financial instruments	741	2,251	740	2,256
Financial liabilities				
Financial liabilities at amortised costs	76,264	64,351	35,699	20,285
Derivative financial instruments	1	–	1	–
Lease liabilities	12,462	12,194	3,810	4,024

NOTES TO FINANCIAL STATEMENTS

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4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives

The group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the group. Management reviews the overall financial risk management on specific areas, such as market risk (including foreign exchange risk, interest rate risk, equity price risk), credit risk, liquidity risk, use of derivative financial instruments and investing excess cash.

The group uses a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including short-term forward foreign contracts to manage the foreign currency exchange rate risk and copper contracts to manage the risk of future fluctuations in copper prices.

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

i) Foreign exchange risk management

The group operates regionally, giving rise to significant exposure to market risk from changes in foreign exchange rates. Exposures to foreign exchange risks are managed as far as possible by natural hedge of matching assets and liabilities.

The group's exposure to foreign exchange risk arises mainly from transactions denominated in United States dollar and other foreign currencies relative to the Singapore dollar.

At the end of the reporting period, the carrying amounts of significant monetary assets and monetary liabilities that are not denominated in the functional currencies of the respective group entities are as follows:

	Group			
	Liabilities		Assets	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
United States dollar	10,511	12,665	10,443	13,466
Euro	276	506	6	2
Malaysian ringgit	566	24	464	159
Singapore dollar	1,997	1,413	750	988
Indonesian rupiah	14	–	–	1,646

NOTES TO FINANCIAL STATEMENTS

30 June 2024

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

i) Foreign exchange risk management (cont'd)

	Company			
	Liabilities		Assets	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
United States dollar	8,702	9,816	788	1,056
Euro	246	322	1	1
Malaysian ringgit	38	24	–	–

Management enters into short-term forward foreign currency exchange contracts to manage foreign currency exchange rate risk. The group's commitments on forward foreign exchange contracts at 30 June 2024 and 2023 are disclosed in Note 10.

The company has a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. The group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in functional currency against the relevant foreign currencies after factoring in the impact of forward foreign exchange contracts. The sensitivity analysis includes external loans as well as loans to foreign operations within the group where the denomination of the loan is in a currency other than the currency of the lender or the borrower.

If the functional currency of the respective group entities appreciates by 10% against the relevant foreign currencies, profit before income tax will increase (decrease) by:

	United States dollar impact		Euro impact		Malaysian ringgit impact		Singapore dollar impact		Indonesian rupiah impact	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Group										
Profit or loss	(3,979)	(5,701)	27	50	10	(14)	125	43	1	(165)
Company										
Profit or loss	(3,110)	(4,501)	25	32	4	2	NA	NA	–	–

NOTES TO FINANCIAL STATEMENTS

30 June 2024

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

i) Foreign exchange risk management (cont'd)

Foreign currency sensitivity (cont'd)

The impact to profit or loss is mainly attributable to the exposure outstanding on receivables and payables at the end of the reporting period in the group.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

ii) Interest rate risk management

The group's exposure to the risk of changes in interest rates relates mainly to bank borrowings. The group actively reviews its debt portfolio to achieve the most favourable interest rates available.

The interest rates and terms of repayment for bank borrowings and lease liabilities of the group are disclosed in Notes 21 and 26 to the financial statements respectively.

A significant portion of the group's borrowings are on a fixed rate interest basis. Accordingly, future fluctuation in interest rate is not expected to have any significant impact on the profit or loss of the group.

The interest rates and repricing period for fixed deposits are disclosed in Note 6 to the financial statements.

Management has considered the total outstanding borrowings as well as their current interest rate environment and does not expect the effect of changes in interest rate on these borrowings to be significant.

Summary quantitative data of the group's interest-bearing financial instruments can be found in Section (v) of this note.

iii) Overview of the group's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. As at 30 June 2024, the group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the group arises from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and

- the maximum amount the group would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised as disclosed in Note 4(b)(v). The related loss allowance is disclosed in the respective notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

30 June 2024

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

iii) Overview of the group's exposure to credit risk (cont'd)

In order to minimise credit risk, the group develops and maintains the credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the group uses other publicly available financial information and the group's own trading records to rate its major customers and other debtors. The group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The group's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognising expected credit losses ("ECL")**
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12 month ECL.
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired.
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired.
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the group has no realistic prospect of recovery.	Amount is written off.

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FINANCIAL STATEMENTS
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4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

iii) Overview of the group's exposure to credit risk (cont'd)

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Group						
2024						
Trade receivables	7	(i)	Lifetime ECL (simplified approach)	111,770	(3,707)	108,063
Other receivables	8	Performing	12-month ECL	2,347	–	2,347
Other receivables	8	In-default	Lifetime ECL	100	(100)	–
				114,217	(3,807)	110,410
2023						
Trade receivables	7	(i)	Lifetime ECL (simplified approach)	96,872	(4,445)	92,427
Other receivables	8	Performing	12-month ECL	1,960	–	1,960
Other receivables	8	In-default	Lifetime ECL	102	(102)	–
				98,934	(4,547)	94,387

NOTES TO FINANCIAL STATEMENTS

30 June 2024

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

iii) Overview of the group's exposure to credit risk (cont'd)

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Company						
2024						
Trade receivables	7	(i)	Lifetime ECL (simplified approach)	52,853	(1,780)	51,073
Other receivables	8	Performing	12-month ECL	1,097	–	1,097
				53,950	(1,780)	52,170
2023						
Trade receivables	7	(i)	Lifetime ECL (simplified approach)	47,912	(2,057)	45,855
Other receivables	8	Performing	12-month ECL	922	–	922
				48,834	(2,057)	46,777

(i) For trade receivables, the group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The group determines the expected credit losses on these items by using an allowance matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the allowance matrix. Further details on the loss allowance for trade and other receivables are included in Notes 7 and 8 to the financial statements respectively.

NOTES TO **FINANCIAL STATEMENTS**

30 June 2024

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

iv) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables of the group consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The group and company are exposed to a concentration of credit risk as trade receivables amounting to about 19% (2023 : 11%) and 21% (2023 : 14%) respectively are due mainly from three key customers (2023 : three key customers) with good payment history.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Further details of credit risks on trade receivables are disclosed in Note 7 to the financial statements.

Trade receivables consist of a large number of customers spread across diverse geographical areas. The credit risk for gross trade receivables based on geographical location is as follows:

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
By geographical areas				
Singapore	83,919	69,737	51,106	46,017
Malaysia	20,121	18,467	1,020	1,153
Brunei	1,195	1,155	97	46
Vietnam	2,999	3,079	3	–
Indonesia	2,881	3,692	376	441
Thailand	33	63	–	–
Myanmar	253	258	251	255
Cambodia	241	242	–	–
Others	128	179	–	–
Total gross trade receivables	111,770	96,872	52,853	47,912

NOTES TO
FINANCIAL STATEMENTS
30 June 2024

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

v) Liquidity risk management

The group maintains sufficient cash and cash equivalents, availability of adequate committed funding lines from financial institutions and internally generated cash flows to finance their activities. The group finances their liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

As at 30 June 2024, the group and company had $27.4 million (2023 : $32.0 million) and $7.7 million (2023 : $9.2 million) in cash and cash equivalents respectively, and was in a net current asset position of $157.1 million (2023 : $153.0 million) and $77.0 million (2023 : $81.7 million) respectively. The group and company maintain access to undrawn credit facilities and have financial resources to meet their obligations when they fall due.

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group and company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liabilities in the statements of financial position.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustments	Total
	% per annum	$'000	$'000	$'000	$'000	$'000
Group						
2024						
Non-interest bearing	–	29,912	–	–	–	29,912
Lease liabilities (fixed rate)	4.85	1,759	5,644	10,047	(4,988)	12,462
Fixed interest rate instruments	4.01	46,698	–	–	(347)	46,351
		78,369	5,644	10,047	(5,335)	88,725
2023						
Non-interest bearing	–	30,630	195	–	–	30,825
Lease liabilities (fixed rate)	4.62	1,593	5,164	10,375	(4,938)	12,194
Variable interest rate instruments	7.39	730	–	–	(14)	716
Fixed interest rate instruments	3.76	33,114	–	–	(304)	32,810
		66,067	5,359	10,375	(5,256)	76,545

NOTES TO **FINANCIAL STATEMENTS**

30 June 2024

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

v) Liquidity risk management (cont'd)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustments	Total
	% per annum	$'000	$'000	$'000	$'000	$'000
Company						
2024						
Non-interest bearing	–	12,948	–	–	–	12,948
Lease liabilities (fixed rate)	3.62	532	1,988	1,970	(680)	3,810
Fixed interest rate instruments	4.25	22,937	–	–	(186)	22,751
		36,417	1,988	1,970	(866)	39,509
2023						
Non-interest bearing	–	14,269	–	–	–	14,269
Lease liabilities (fixed rate)	3.62	478	1,913	2,448	(815)	4,024
Fixed interest rate instruments	4.48	6,060	–	–	(44)	6,016
		20,807	1,913	2,448	(859)	24,309

The maximum amount that the company could be forced to settle under the corporate guarantee in relation to credit facilities granted to subsidiaries in Note 37 is $24,347,000 (2023 : $30,108,000). The earliest period that the guarantee could be called is within 1 year (2023 : 1 year) from the end of the reporting period. The company considers that it is more likely than not that no amount will be payable under the arrangement.

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the group and the company anticipate that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial assets in the statements of financial position.

NOTES TO FINANCIAL STATEMENTS

30 June 2024

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

v) Liquidity risk management (cont'd)

Non-derivative financial assets (cont'd)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	Adjustments	Total
	% per annum	$'000	$'000	$'000	$'000
Group					
2024					
Non-interest bearing	–	136,176	71	–	136,247
Variable interest rate instruments	5.38	19	–	–*	19
Fixed interest rate instruments	3.71	1,472	100	(7)	1,565
		137,667	171	(7)	137,831
2023					
Non-interest bearing	–	122,135	64	–	122,199
Variable interest rate instruments	5.38	66	84	(9)	141
Fixed interest rate instruments	5.14	3,705	107	(21)	3,791
		125,906	255	(30)	126,131
Company					
2024					
Non-interest bearing	–	59,771	–	–	59,771
Fixed interest rate instruments	1.85	2	100	(2)	100
		59,773	100	(2)	59,871
2023					
Non-interest bearing	–	56,260	–	–	56,260
Fixed interest rate instruments	1.79	2	103	(5)	100
		56,262	103	(5)	56,360

* Amount less than $1,000.

NOTES TO **FINANCIAL STATEMENTS**

30 June 2024

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

v) Liquidity risk management (cont'd)

Derivative financial instruments

As at 30 June 2024, the fair value of the gross settled foreign exchange forward contracts and copper contracts which were on demand or within one year receivable amounted to $741,000 (2023 : $2,248,000) and more than one year payables amounted to $1,000 (2023 : receivable of $3,000).

vi) Fair values of financial assets and financial liabilities

The carrying amounts of cash and bank balances, trade and other current receivables and payables and other current liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and

- the fair value of derivative instruments are calculated using quoted prices.

Management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

The fair value hierarchy of the group's derivative financial instruments relating to forward foreign exchange contracts and copper contracts are classified as Level 2 due to inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs). There were no movements between different levels during the year.

NOTES TO FINANCIAL STATEMENTS

30 June 2024

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Capital management policies and objectives

The group manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the group consists of debt, which includes borrowings disclosed in Notes 21 and 26 (net of cash and cash equivalents) and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated profits as disclosed in Notes 27 to 29.

The group and company are required to maintain compliance with covenants imposed by banks and these include a minimum tangible net worth amount and a maximum gearing ratio. The group and company are in compliance with these covenant requirements for the financial years ended 30 June 2024 and 2023.

The Board of Directors reviews the capital structure regularly to achieve an appropriate capital structure. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital and makes adjustments to the capital structure, where appropriate, in light of changes in economic conditions and the risk of characteristics of the underlying assets.

The group's overall strategy remains unchanged from 2023.

5 RELATED PARTY TRANSACTIONS

Some of the group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand.

During the year, the group entered into the following significant transactions with related parties:

	Group	
	2024 $'000	2023 $'000
Sales to associates	(8,295)	(8,208)
Services provided by associates	270	328
Management fees charge to associates	(18)	(18)
Rental charge to associates	(172)	(188)
Manpower provided to associates	(42)	(46)
Manpower supply by associates	66	40
Expenses paid on behalf for associates	(56)	(48)

NOTES TO FINANCIAL STATEMENTS
30 June 2024

5 RELATED PARTY TRANSACTIONS (CONT'D)

Companies in which members of key management have interests:

	Group	
	2024	2023
	$'000	$'000
Sales	(787)	(424)
Purchases	437	302
Consultancy service charges to related party	(287)	(90)
Sales of plant and machinery to related parties	(35)	–
Purchase of plant and machinery from related parties	92	–
Services provided by related parties	107	–
Manpower provided to related parties	(3)	(17)
Rental provided by related parties	68	41
Expenses paid on behalf for a related party	(213)	(120)
Expenses paid on behalf to a related party	1	95

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group	
	2024	2023
	$'000	$'000
Short-term benefits (including directors' fee)	7,406	6,887
Post-employment benefits	301	292
	7,707	7,179

6 CASH AND BANK BALANCES

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Cash and bank balances	25,956	28,315	7,701	9,212
Fixed deposits	1,461	3,688	–	–
	27,417	32,003	7,701	9,212

The fixed deposits bear interest at 0.25% to 5.00% (2023 : 0.25% to 5.42%) per annum and are due within 1 to 6 months (2023 : 1 to 12 months). The fixed deposits can be converted to a known amount of cash at minimum charges at short notice.

NOTES TO FINANCIAL STATEMENTS

30 June 2024

7 TRADE RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Outside parties	110,289	93,049	51,089	45,591
Related parties (Note 5)	1,064	662	104	58
Subsidiaries (Note 13)	–	–	1,263	1,511
Associates (Note 14)	1,059	3,161	397	752
	112,412	96,872	52,853	47,912
Less: Loss allowance	(3,707)	(4,445)	(1,780)	(2,057)
	108,705	92,427	51,073	45,855

As at 1 July 2022, the group and the company have trade receivables amounting to $109.77 million (net of loss allowance of $6.02 million) and $51.07 million (net of loss allowance of $2.49 million) respectively.

The average credit period is 30 to 120 days (2023 : 30 to 120 days). No interest is charged on the trade receivables.

Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade receivables are estimated using an allowance matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities.

NOTES TO
FINANCIAL STATEMENTS
30 June 2024

7 TRADE RECEIVABLES (CONT'D)

The following table details the risk profile of trade receivables from contracts with customers based on the group's allowance matrix. As the group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the group's different customer base.

	Trade receivables - days past due				
	Not past due	**0 - 90 days**	**> 90 days**	**Individually assessed lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Group					
2024					
Expected credit loss rate	0.56%	1.60%	14.32%	100%	–
Estimated total gross carrying amount at default	66,537	36,445	7,796	1,634	112,412
Lifetime ECL	(374)	(583)	(1,116)	(1,634)	(3,707)
					108,705
2023					
Expected credit loss rate	0.59%	1.74%	17.26%	100%	–
Estimated total gross carrying amount at default	61,186	27,971	4,979	2,736	96,872
Lifetime ECL	(363)	(486)	(860)	(2,736)	(4,445)
					92,427

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7 TRADE RECEIVABLES (CONT'D)

	Trade receivables - days past due				
	Not past due $'000	0 - 90 days $'000	> 90 days $'000	Individually assessed lifetime ECL $'000	Total $'000
Company					
2024					
Expected credit loss rate	0.28%	0.73%	11.54%	100%	–
Estimated total gross carrying amount at default	35,854	12,128	3,709	1,162	52,853
Lifetime ECL	(101)	(89)	(428)	(1,162)	(1,780)
					51,073
2023					
Expected credit loss rate	0.30%	1.04%	15.74%	100%	–
Estimated total gross carrying amount at default	32,322	12,329	1,695	1,566	47,912
Lifetime ECL	(96)	(128)	(267)	(1,566)	(2,057)
					45,855

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FINANCIAL STATEMENTS
30 June 2024

7 TRADE RECEIVABLES (CONT'D)

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

	Individually assessed $'000	Lifetime ECL - credit-impaired $'000	Total $'000
Group			
Balance as at 1 July 2022	3,716	2,308	6,024
Amounts written off	(440)	–	(440)
Amounts recovered	(818)	–	(818)
Change in loss allowance	379	(514)	(135)
Currency realignment	(101)	(85)	(186)
Balance as at 30 June 2023	2,736	1,709	4,445
Amounts written off	(1,113)	–	(1,113)
Amounts recovered	(1,081)	–	(1,081)
Change in loss allowance	1,104	381	1,485
Currency realignment	(12)	(17)	(29)
Balance as at 30 June 2024	1,634	2,073	3,707
Company			
Balance as at 1 July 2022	2,071	423	2,494
Amounts written off	(73)	–	(73)
Amounts recovered	(454)	–	(454)
Change in loss allowance	22	68	90
Balance as at 30 June 2023	1,566	491	2,057
Amounts written off	(118)	–	(118)
Amounts recovered	(839)	–	(839)
Change in loss allowance	553	127	680
Balance as at 30 June 2024	1,162	618	1,780

Key sources of estimation uncertainty

Allowance for trade receivables

The Group uses an allowance matrix to calculate expected credit losses ("ECL") for trade receivables. The allowance rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The Group determines the ECL of trade receivables by using an allowance matrix that is based on its historical credit loss experience, debtors' ability to pay and any relevant forward-looking information that may be specific to the debtors and economic environment.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant management estimate. 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.

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30 June 2024

8 OTHER RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Subsidiaries (Note 13)	–	–	749	718
Associates (Note 14)	–	11	–	–
Loan to an associate (Note 14)	19	141	–	–
Related parties (Note 5)	455	415	–	–
Advances to staff	315	234	95	70
Loan to a director	32	–	–	–
Prepayments	2,232	2,198	1,165	884
Other deposits	878	572	100	33
Advance to suppliers	3,376	1,311	–	–
Grant receivable	–	42	–	–
Tax recoverable	175	124	–	–
Copper derivative receivable	49	371	49	371
Others	699	689	104	101
Total	8,230	6,108	2,262	2,177
Less: Non-current other receivables	(215)	(361)	(100)	(100)
Less: Loss allowance	(100)	(102)	–	–
Current other receivables	7,915	5,645	2,162	2,077

The loan to an associate of $19,000 (2023 : $141,000) bears interest at 5.38% per annum (2023 : 5.38% per annum) is subject to half-yearly review and revision to the prevailing Singapore Bankers lending rate. The loan is unsecured and is to be repaid over 4 years, with fixed monthly instalments of $5,500 that commenced from July 2021.

For the purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL.

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

NOTES TO FINANCIAL STATEMENTS

30 June 2024

9 CONTRACT ASSETS

	Group	
	2024	2023
	$'000	$'000
Retention receivables	421	99
Test and inspections contracts:		
- Outside parties	2,541	2,453
- Related parties (Note 5)	228	65
	3,190	2,617

As at 1 July 2022, retention receivable and contract asset from test and inspections contract with outside parties and related parties amounted to $82,000, $2,774,000 and $63,000 respectively.

Contract assets are balances due from customers under on-going contracts that arise when the group receives payments from customers in line with a series of performance-related milestones. The group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

Payment for test and inspections services is not due from the customer until the services are completed and therefore a contract asset is recognised over the period in which the services are performed to represent the group's right to consideration for the services transferred to date.

Management always estimates the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the construction industry. None of the amounts due from customers at the end of the reporting period is past due.

10 DERIVATIVE FINANCIAL INSTRUMENTS

	Group				Company			
	2024		2023		2024		2023	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Forward foreign exchange contracts	652	(1)	811	–	651	(1)	816	–
Copper contracts	89	–	1,440	–	89	–	1,440	–
Total	741	(1)	2,251	–	740	(1)	2,256	–
Less : Non-current	–	1	(3)	–	–	1	(3)	–
Current derivative financial instruments	741	–	2,248	–	740	–	2,253	–

NOTES TO FINANCIAL STATEMENTS

30 June 2024

10 DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

Forward foreign exchange contracts

As at 30 June 2024 and 2023, the group and company had outstanding currency derivatives that were used to hedge significant future transactions. The instruments purchased are primarily denominated in the currencies of the group's and company's principal markets.

Details of the group's and company's forward foreign currency contracts outstanding as at the end of the reporting period are as follows:

	Foreign currency		Notional contract value		Fair value	
	2024	2023	2024	2023	2024	2023
	FC'000	FC'000	$'000	$'000	$'000	$'000
Group						
Buy United States dollar less than 12 months	29,121	40,050	37,899	52,321	652	808
Buy United States dollar more than 12 months	1,500	3,000	1,956	3,885	(1)	3
Company						
Buy United States dollar less than 12 months	28,500	38,250	37,057	49,888	651	813
Buy United States dollar more than 12 months	1,500	3,000	1,956	3,885	(1)	3

As at 30 June 2024, the fair value of forward foreign exchange contracts for the group and the company was at $651,000 (2023 : $811,000) and $650,000 (2023 : $816,000). These amounts were determined based on observable forward exchange rates, contract forward rates and discounted at a rate that reflected the credit risk of various counterparties at the end of reporting period. Changes in the fair value of the forward foreign exchange contracts were recorded in profit or loss immediately.

Copper contracts

As at 30 June 2024 and 2023, the group and the company had outstanding copper contracts that were used to hedge significant future fluctuations in copper prices. The instruments purchased are primarily copper derivatives where the group and company pay or receive the difference in actual market price against price contracted as the copper derivatives contracts mature.

NOTES TO FINANCIAL STATEMENTS

30 June 2024

11 INVENTORIES

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Raw materials	11,797	7,972	8,844	5,778
Work-in-progress	23,319	20,898	12,502	13,790
Finished goods	64,574	70,508	34,353	31,843
Goods-in-transit	3,679	1,790	2,182	1,287
	103,369	101,168	57,881	52,698

Inventories are stated net of an allowance of $466,000 (2023 : $435,000). In addition, $289,000 (2023 : $223,000) of inventories were written off as they were assessed to be not saleable. During the year, there is an allowance for inventories obsolescence of $31,000 (2023 : $57,000).

Key sources of estimation uncertainty

Allowance for inventories

The policy for allowance for inventories for the Group is based on management's judgement and evaluation of the saleability and the aging analysis of the individual inventory item. A considerable amount of judgement is required in assessing the ultimate realisation of these inventories, including the current market price and movement trend of each inventory.

12 ASSETS CLASSIFIED AS HELD FOR SALE

On 18 August 2023, one of the group's subsidiaries entered into a Sales & Purchase Agreement to sell an investment property. Hence, the net book value of the property has been re-classified as assets held for sale as at 30 June 2023.

The following table is a summary of the major classes of assets comprising the classified as held for sale, and the carrying amounts of the assets classified as held for sale as at the end of the reporting period:

	Group
	2023
	$'000
Investment properties	169
Net assets held for sale	169

In 2024, this is disposed for a consideration of $172,000 and a gain of $5,000 is recognised.

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FINANCIAL STATEMENTS
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13 SUBSIDIARIES

	Company $'000
Unquoted equity shares, at cost:	
At 1 July 2022	37,567
Acquisition of a subsidiary (Note 40)	870
Less: Provision for impairment of subsidiary	(396)
At 30 June 2023	38,041
Reversal of impairment loss of a subsidiary [(a)]	466
Increase in the issued and paid-up capital of a subsidiary [(c)]	5,704
Less: Disposal of a subsidiary [(a)]	(466)
At 30 June 2024	43,745
Deemed investment [(b)]:	
At 1 July 2022	10,631
Addition during the year	643
At 30 June 2023	11,274
Addition during the year	715
At 30 June 2024	11,989
Carrying amount:	
At 30 June 2024	55,734
At 30 June 2023	49,315

(a) The subsidiary that was previously impaired has been disposed to another fellow subsidiary of the group.

(b) The deemed investment arises from the fair value of corporate guarantees given to subsidiaries to secure the bank facilities.

Fair value of corporate guarantees is the guarantee fee received for issuing the financial guarantee and is approximately 1% (2023 : 1%) per annum of the sum guaranteed under the financial guarantee contract.

(c) During the year, the company injected funds of $5,704,000 to subscribe for 20,000,000 newly issued ordinary shares in Tai Sin Electric Cables (Malaysia) Sdn. Bhd. at an issue price of RM1 each fully paid up in cash.

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13 SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of company	Principal activities/ Country of incorporation and operation	Proportion of ownership interest and voting power held 2024 %	2023 %
Tai Sin Electric Cables (Malaysia) Sdn. Bhd. [b]	Cable and wire manufacturer and dealer in such products/ Malaysia	100	100
PKS Sdn Bhd [b]	Electrical switchboards, feeder pillars and components manufacturer and dealer in such products/ Brunei	70	70
Tai Sin (Vietnam) Pte Ltd [a]	Intermediate investment holding/ Singapore	100	100
Tai Sin Electric Cables (VN) Company Limited (subsidiary of Tai Sin (Vietnam) Pte Ltd) [c]	Cable and wire manufacturer and dealer in such products/ Vietnam	100	100
Lim Kim Hai Electric (VN) Company Limited (subsidiary of Tai Sin (Vietnam) Pte Ltd) [c]	Trading of electrical products/ Vietnam	90	90
Lim Kim Hai Electric Co (S) Pte Ltd [a]	Distributor of electrical products and investment holding/ Singapore	100	100

NOTES TO FINANCIAL STATEMENTS

30 June 2024

13 SUBSIDIARIES (CONT'D)

Name of company	Principal activities/ Country of incorporation and operation	Proportion of ownership interest and voting power held 2024 %	2023 %
LKH Electric (M) Sdn. Bhd. (subsidiary of Lim Kim Hai Electric Co (S) Pte Ltd) [(b)]	Distributor of electrical products / Malaysia	100	100
LKH Precicon Pte Ltd (subsidiary of Lim Kim Hai Electric Co (S) Pte Ltd) [(a)]	Distributor of electrical products/ Singapore	100	100
LKH Projects Distribution Pte Ltd (subsidiary of Lim Kim Hai Electric Co (S) Pte Ltd) [(a)]	Distributor of electrical products/ Singapore	100	100
Tai Sin Power Distribution Pte Ltd (subsidiary of Lim Kim Hai Electric Co (S) Pte Ltd) [(a)]	Busbar trunking system manufacturer and dealer in such products/Singapore	100	100
ElectGo Pte Ltd (subsidiary of Lim Kim Hai Electric Co (S) Pte Ltd) [(a)]	Distributor of electrical, controls lighting and safety products/ Singapore	100	100
CAST Laboratories Pte Ltd [(a)]	Laboratories for tests, experiments and researches and provisions of quality consultancy services and investment holding/ Singapore	100	100
CASTconsult Sdn Bhd (subsidiary of CAST Laboratories Pte Ltd) [(b)]	General construction and technical engineering/ Malaysia	100	100
PT CAST Laboratories Indonesia (subsidiary of CAST Laboratories Pte Ltd) [(d)]	Provision of oil and gas, non-construction, testing and analysis services/ Indonesia	95	95

NOTES TO FINANCIAL STATEMENTS

30 June 2024

13 SUBSIDIARIES (CONT'D)

Name of company	Principal activities/ Country of incorporation and operation	Proportion of ownership interest and voting power held 2024 %	2023 %
CAST Laboratories (Cambodia) Co. Ltd. (subsidiary of CAST Laboratories Pte Ltd) [e]	Technical testing and analysis services/ Cambodia	100	100
Nishi Densen Sdn Bhd [f] [g] (formerly known as Nishiden (Malaysia) Sdn Bhd)	Fabricating of copper wiring, cables and other related parts/ Malaysia	100	100

(a) Audited by Deloitte & Touche LLP, Singapore.

(b) Audited by overseas practices of Deloitte Touche Tohmatsu Limited.

(c) Audited by DTL Auditing Company, a member firm of RSM International.

(d) Audited by KAP Hendrawinata Hanny Erwin & Sumargo, a member firm of Kreston International.

(e) Audited by Cam Accounting & Tax Service Co., Ltd., a member firm of Kreston International.

(f) Audited by Grant Thornton Malaysia PLT, a member firm of Grant Thornton International Ltd (GTIL).

(g) Acquired on 1 July 2022 as disclosed in Note 40 to the financial statements.

NOTES TO FINANCIAL STATEMENTS
30 June 2024

13 SUBSIDIARIES (CONT'D)

Information about the composition of the group at the end of the financial year is as follows:

Principal activity	Country of incorporation and operation	Number of wholly-owned subsidiaries	
		2024	2023
Cable and wire manufacturer and dealer in such products.	Malaysia	1	1
Fabricating of copper wiring, cables and other related parts.	Malaysia	1	1
Dormant	Malaysia	–	1
Investment holding.	Singapore	1	1
Cable and wire manufacturer and dealer in such products.	Vietnam	1	1
Busbar trunking system manufacturer and dealer in such products.	Singapore	1	1
Distributor of electrical products and investment holding.	Singapore	1	1
Distributor of electrical products.	Singapore	3	3
Distributor of electrical products	Malaysia	1	–
Laboratories for tests, experiments and researches and provisions of quality consultancy services and investment holding.	Singapore	1	1
General construction and technical engineering.	Malaysia	1	1
Technical testing and analysis services.	Cambodia	1	1
		13	13

NOTES TO
FINANCIAL STATEMENTS
30 June 2024

13 SUBSIDIARIES (CONT'D)

Information about the composition of the group at the end of the financial year is as follows:

Principal activity	Country of incorporation and operation	Number of non-wholly owned subsidiaries 2024	2023
Trading of electrical products.	Vietnam	1	1
Electrical switchboards, feeder pillars and components manufacturer and dealer in such products.	Brunei	1	1
Provision of oil and gas, non-construction, testing and analysis services.	Indonesia	1	1
		3	3

The table below shows details of non-wholly owned subsidiaries of the group that have material non-controlling interests:

Name of subsidiary	Country of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2024	2023	2024	2023	2024	2023
		%	%	$'000	$'000	$'000	$'000
PKS Sdn Bhd	Brunei	30	30	67	69	904	1,077
CAST Laboratories Pte Ltd and its subsidiaries [(a)]	Singapore	5	5	35	4	248	233
Lim Kim Hai Electric (VN) Company Limited	Vietnam	10	10	47	63	614	639
Total				149	136	1,766	1,949

(a) Non-controlling interest in CAST Laboratories Pte Ltd and its subsidiaries pertains to PT CAST Laboratories Indonesia.

NOTES TO FINANCIAL STATEMENTS

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13 SUBSIDIARIES (CONT'D)

Summarised financial information in respect of each of the group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	PKS Sdn Bhd		CAST Laboratories Pte Ltd and its subsidiaries		Lim Kim Hai Electric (VN) Company Limited	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Current assets	3,335	3,823	4,244	3,461	7,312	7,040
Non-current assets	194	230	1,556	1,663	525	113
Current liabilities	(409)	(367)	(604)	(238)	(1,301)	(776)
Non-current liabilities	(107)	(98)	(234)	(226)	(414)	–
Equity attributable to owners of the company	2,109	2,511	4,713	4,427	5,509	5,738
Non-controlling interests	904	1,077	249	233	613	639

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30 June 2024

13 SUBSIDIARIES (CONT'D)

	PKS Sdn Bhd		CAST Laboratories Pte Ltd and its subsidiaries		Lim Kim Hai Electric (VN) Company Limited	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	4,554	4,654	5,581	3,901	18,215	13,231
Expenses	(4,329)	(4,425)	(4,885)	(3,829)	(17,745)	(12,601)
Profit for the year	225	229	696	72	470	630
Profit attributable to owners of the company	158	160	661	68	423	567
Profit attributable to the non-controlling interests	67	69	35	4	47	63
Profit for the year	225	229	696	72	470	630
Other comprehensive (loss) income attributable to owners of the company	–	–	(375)	(192)	(416)	(228)
Other comprehensive (loss) income attributable to the non-controlling interests	–	–	(19)	(10)	(47)	(25)
Other comprehensive (loss) income for the year	–	–	(394)	(202)	(463)	(253)
Total comprehensive income (loss) attributable to owners of the company	158	160	286	(124)	7	339
Total comprehensive income (loss) attributable to the non-controlling interests	67	69	16	(6)	–*	38
Total comprehensive income (loss) for the year	225	229	302	(130)	7	377

* Amount less than $1,000.

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30 June 2024

13 SUBSIDIARIES (CONT'D)

	PKS Sdn Bhd		CAST Laboratories Pte Ltd and its subsidiaries		Lim Kim Hai Electric (VN) Company Limited	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Dividends declared/paid to non-controlling interests	240	–	35	30	26	–
Net cash inflow (outflow) from operating activities	(480)	840	125	110	(1,701)	161
Net cash inflow (outflow) from investing activities	(4)	(5)	(225)	(323)	40	135
Net cash outflow from financing activities	(800)	–	(28)	(1,088)	(256)	–
Net cash inflow (outflow)	(1,284)	835	(128)	(1,301)	(1,917)	296

Key sources of estimation uncertainty

Impairment of investment in subsidiaries

Investments in subsidiaries are stated at cost less impairment loss. The Company follows the guidance of SFRS(I) 1-36 *Impairment of Assets* to determine when its investments in subsidiaries are impaired. This determination requires management to evaluate, among other factors, the market and economic environment in which the subsidiaries operate, economic performance of these entities, the duration and extent to which the cost of investments in these entities exceed their net tangible assets values and fair value of investments less cost to sell.

14 ASSOCIATES

	Group	
	2024	2023
	$'000	$'000
Unquoted equity shares, at cost	3,425	3,188
Share of post-acquisition results and reserves, net of dividends received	8,993	8,852
	12,418	12,040

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14 ASSOCIATES (CONT'D)

Details of the group's associates and its significant investments are as follows:

Name of associate	Principal activities/ Country of incorporation and operation	Proportion of ownership interest		Proportion of voting power held	
		2024 %	2023 %	2024 %	2023 %
Held by Lim Kim Hai Electric Co (S) Pte Ltd					
Nylect International Pte. Ltd. [(a)]	Investment holding/ Singapore	30	30	30	30
PT Elmecon Multikencana [(d)]	Trading of electronic and electrical appliances/ Indonesia	40	40	40	40
Held by Nylect International Pte. Ltd.					
Nylect Engineering Pte Ltd [(a)]	Mechanical and electrical design and installation/ Singapore	100	100	100	100
Nylect Technology Ltd Vietnam [(e)]	Dormant/ Vietnam	100	100	100	100
Nylect Engineering (Shanghai) Co., Ltd. [(f)]	Mechanical and electrical design and installation/ People's Republic of China	100	100	100	100
Nylect Technology (Myanmar) Ltd [(b)]	Mechanical and electrical design and installation/ Myanmar	70	70	70	70

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14 ASSOCIATES (CONT'D)

Name of associate	Principal activities/ Country of incorporation and operation	Proportion of ownership interest		Proportion of voting power held	
		2024 %	2023 %	2024 %	2023 %
Held by Nylect Engineering Pte Ltd					
NEPL Pte Ltd [(a)]	Mechanical and electrical design and installation/ Singapore	100	100	100	100
Nylect Technology (Myanmar) Ltd [(b)]	Mechanical and electrical design and installation/ Myanmar	30	30	30	30
Held by CAST Laboratories Pte Ltd					
Astar Laboratory Pte. Ltd. [(c)]	Provision of environmental engineering services, laboratory testing services and other related services/ Singapore	37.50	37.50	37.50	37.50

(a) Audited by RSM SG Assurance LLP, Singapore and member firm of RSM International.

(b) Audited by UTW (Myanmar) Limited, a member firm of Ernst & Young Global Limited.

(c) Audited by LL Ong & Co., Public Accountants and Chartered Accountant of Singapore.

(d) Audited by MGI Gideon Adi & Rekan, Public Accountants and Chartered Accountant of Indonesia.

(e) The company is in the process of being struck off.

(f) Audited by SBA Stone Forest CPA, an alliance firm of RSM SG Assurance LLP.

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14 ASSOCIATES (CONT'D)

The above associates are accounted for using the equity method in these consolidated financial statements.

i. The financial year end date of Nylect International Pte. Ltd. is 31 December. This was the reporting date established when that company was incorporated. For the purposes of applying the equity method of accounting, the audited consolidated financial statements of the associate for the year ended 31 December 2023 and the unaudited consolidated management accounts for the intervening 6 month periods ended 30 June 2024 and 2023 have been used. Further, the group has significant influence over Nylect International Pte. Ltd. by virtue of the current board representation where the group has appointed one out of the three directors and the group has 30% voting interest.

ii. The financial year end date of PT Elmecon Multikencana is 31 December. For the purposes of applying the equity method of accounting, the audited consolidated financial statements of the associate for the year ended 31 December 2023 and the unaudited consolidated management accounts for the intervening 6 month periods ended 30 June 2024 and 2023 have been used. Further, the group has significant influence over PT Elmecon Multikencana by virtue of the current board representation where the group has appointed one out of the three directors and the group has 40% voting interest.

iii. The group has significant influence over Astar Laboratory Pte. Ltd. by virtue of the current board representation where the group has appointed one out of the two directors and the group has 37.50% voting interest.

Summarised financial information in respect of the group's associate is set out below. The summarised financial information below represents amounts shown in the associate's consolidated financial statements prepared in accordance with SFRS(I), adjusted by the group for equity accounting purposes.

Nylect International Pte. Ltd. and its subsidiaries

	2024 $'000	2023 $'000
Current assets	41,011	38,766
Non-current assets	14,748	13,801
Current liabilities	(19,290)	(17,139)
Non-current liabilities	(1,010)	(1,293)
Revenue	40,934	40,020
Profit for the year	1,439	958
Other comprehensive loss for the year	(16)	(62)
Total comprehensive income for the year	1,423	896
Dividend received from the associate during the year	30	90

NOTES TO FINANCIAL STATEMENTS

30 June 2024

14 ASSOCIATES (CONT'D)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the group's associate recognised in the consolidated financial statement:

	2024 $'000	2023 $'000
Net assets of the associate	35,460	34,135
Proportion of the group's ownership interest in Nylect International Pte. Ltd. and its subsidiaries	30%	30%
Carrying amount of the group's interest in Nylect International Pte. Ltd. and its subsidiaries	10,638	10,241

PT Elmecon Multikencana

	2024 $'000	2023 $'000
Current assets	4,645	5,826
Non-current assets	538	547
Current liabilities	(3,166)	(4,329)
Non-current liabilities	(128)	(98)
Revenue	13,815	10,508
Profit for the year	218	527
Other comprehensive income for the year	–*	–*
Total comprehensive income for the year	218	527
Dividend received from the associate during the year	263	–

NOTES TO **FINANCIAL STATEMENTS**

30 June 2024

14 ASSOCIATES (CONT'D)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the group's associate recognised in the consolidated financial statement:

	2024 $'000	2023 $'000
Net assets of the associate	1,889	1,947
Proportion of the group's ownership interest in PT Elmecon Multikencana	40%	40%
Goodwill	90	90
Carrying amount of the group's interest in PT Elmecon Multikencana	845	868

* Amount less than $1,000.

<u>Astar Laboratory Pte. Ltd.</u>

	2024 $'000	2023 $'000
Current assets	1,222	1,131
Non-current assets	557	710
Current liabilities	(469)	(492)
Non-current liabilities	(132)	(183)
Revenue	2,160	2,202
Profit for the year, representing total comprehensive income for the year	12	2

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FINANCIAL STATEMENTS
30 June 2024

14 ASSOCIATES (CONT'D)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the group's associate recognised in the consolidated financial statement:

	2024 $'000	2023 $'000
Net assets of the associate	1,178	1,166
Proportion of the group's ownership interest in Astar Laboratory Pte. Ltd.	37.50%	37.50%
Goodwill	512	512
Carrying amount of the group's interest in Astar Laboratory Pte. Ltd.	935	931

Key sources of estimation uncertainty

Impairment of investment in associates

Investments in associates are stated at cost less impairment loss. The group and company follows the guidance of SFRS(I) 1-36 *Impairment of Assets* to determine when its investments in associates are impaired. This determination requires management to evaluate, among other factors, the market and economic environment in which the associates operate, economic performance of these entities, the duration and extent to which the cost of investments in these entities exceed their net tangible assets values and fair value of investments less cost to sell.

NOTES TO **FINANCIAL STATEMENTS**

30 June 2024

15 PROPERTY, PLANT AND EQUIPMENT

	Freehold land $'000	Freehold property $'000	Leasehold buildings $'000	Office equipment and furniture $'000	Plant and machinery $'000	Motor vehicles $'000	Construction in progress $'000	Total $'000
Group								
Cost:								
At 1 July 2022	2,000	6,233	34,476	12,378	41,639	4,347	–	101,073
Acquired on acquisition of a subsidiary	–	–	97	7	184	15	–	303
Additions	–	18	178	1,857	2,518	446	–	5,017
Currency realignment	(168)	(135)	(84)	(130)	(832)	(61)	–	(1,410)
Disposals	–	–	–	(63)	(326)	(236)	–	(625)
Write-offs	–	–	(4)	(300)	(645)	(4)	–	(953)
At 30 June 2023	1,832	6,116	34,663	13,749	42,538	4,507	–	103,405
Additions	–	162	69	1,690	4,124	962	457	7,464
Transfer from right-of-use assets	–	–	–	–	–	297	–	297
Currency realignment	(11)	(9)	(120)	(73)	(458)	(26)	(1)	(698)
Disposals	–	–	–	(57)	(1,195)	(685)	–	(1,937)
Write-offs	–	–	(11)	(118)	(547)	(6)	–	(682)
At 30 June 2024	1,821	6,269	34,601	15,191	44,462	5,049	456	107,849

NOTES TO FINANCIAL STATEMENTS

30 June 2024

15 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land $'000	Freehold property $'000	Leasehold buildings $'000	Office equipment and furniture $'000	Plant and machinery $'000	Motor vehicles $'000	Construction in progress $'000	Total $'000
Accumulated depreciation:								
At 1 July 2022	–	928	17,212	9,487	31,108	3,744	–	62,479
Depreciation	–	143	942	1,132	2,545	325	–	5,087
Currency realignment	–	(57)	(21)	(100)	(544)	(52)	–	(774)
Disposals	–	–	–	(63)	(261)	(234)	–	(558)
Write-offs	–	–	–	(286)	(600)	(4)	–	(890)
At 30 June 2023	–	1,014	18,133	10,170	32,248	3,779	–	65,344
Depreciation	–	152	975	1,521	2,610	378	–	5,636
Transfer from right-of-use assets	–	–	–	–	–	297	–	297
Currency realignment	–	(4)	(39)	(63)	(268)	(20)	–	(394)
Disposals	–	–	–	(55)	(1,157)	(664)	–	(1,876)
Write-offs	–	–	(3)	(116)	(512)	(6)	–	(637)
At 30 June 2024	–	1,162	19,066	11,457	32,921	3,764	–	68,370
Impairment:								
At 1 July 2022 and 30 June 2023	–	–	–	–	–	–	–	–
Impairment loss	–	–	–	383	433	77	–	893
Currency realignment	–	–	–	3	4	1	–	8
At 30 June 2024	–	–	–	386	437	78	–	901
Carrying amount:								
At 30 June 2024	1,821	5,107	15,535	3,348	11,104	1,207	456	38,578
At 30 June 2023	1,832	5,102	16,530	3,579	10,290	728	–	38,061

NOTES TO **FINANCIAL STATEMENTS**

30 June 2024

15 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Impairment losses recognised during the year

During the year, the group carried out a review of the recoverable amount of the office equipment and furniture, plant and machinery and motor vehicles in Cambodia.

The review led to the recognition of an impairment loss of $893,000 that has been recognised in the profit or loss and included in the other operating expenses line item. The fair value less costs of disposal is less than the value in use and hence the recoverable amount of the relevant assets has been determined on the basis of their value in use. The office equipment and furniture, plant and machinery and motor vehicles was impaired to their recoverable amount based on the value-in-use of $Nil, which is their carrying value at year end.

The average growth rate for revenue and discount rate used in measuring value in use was 8% per annum and 15% respectively.

	Leasehold buildings $'000	Office equipment and furniture $'000	Plant and machinery $'000	Motor vehicles $'000	Total $'000
Company					
Cost:					
At 1 July 2022	15,110	2,847	19,473	1,908	39,338
Additions	–	492	1,101	72	1,665
Disposals	–	(2)	(82)	(193)	(277)
Write-offs	–	(146)	(178)	(2)	(326)
At 30 June 2023	15,110	3,191	20,314	1,785	40,400
Additions	14	175	1,855	624	2,668
Disposals	–	–	(1,015)	(441)	(1,456)
Write-offs	–	–	(198)	–	(198)
At 30 June 2024	15,124	3,366	20,956	1,968	41,414
Accumulated depreciation:					
At 1 July 2022	8,729	2,322	15,946	1,813	28,810
Depreciation	453	225	832	52	1,562
Disposals	–	(2)	(82)	(193)	(277)
Write-offs	–	(133)	(155)	(2)	(290)
At 30 June 2023	9,182	2,412	16,541	1,670	29,805
Depreciation	454	331	914	112	1,811
Disposals	–	–	(1,007)	(441)	(1,448)
Write-offs	–	–	(191)	–	(191)
At 30 June 2024	9,636	2,743	16,257	1,341	29,977
Carrying amount:					
At 30 June 2024	5,488	623	4,699	627	11,437
At 30 June 2023	5,928	779	3,773	115	10,595

NOTES TO FINANCIAL STATEMENTS

30 June 2024

15 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The group's significant freehold land and property, and leasehold land and buildings comprise the following:

Location	Title	Description
24 Gul Crescent Singapore 629531 [(a)]	Leasehold (52 years from 1 August 1980)	Land and factory building
22 Gul Crescent Singapore 629530 [(a)]	Leasehold (28 years 7 months from 31 December 2004)	Land and factory building
11 Gul Lane Singapore 629410 [(a)]	Leasehold (51 years 16 days from 16 July 1981)	Land and factory building
9 Gul Lane Singapore 629408 [(a)]	Leasehold (18 years 30 days from 1 December 2018)	Land and factory building
27 Gul Avenue Singapore 629667 [(a)]	Leasehold (60 years from 1 July 1979)	Land and factory building
17 Tuas Avenue 8 Singapore 639232 [(a)]	Leasehold (60 years from 16 December 1995)	Land and factory building
53 Kallang Place Singapore 339177 [(a)]	Leasehold (60 years from 1 April 1976)	Industrial building
63 Hillview Avenue #10-21 Lam Soon Industrial Building Singapore 669569	Freehold	Flatted factory unit
63 Hillview Avenue #08-19 Lam Soon Industrial Building Singapore 669569	Freehold	Flatted factory unit
The Canary Heights Binh Duong Boulevard Binh Hoa Ward Thuan An District Binh Duong Province, Vietnam	Leasehold (50 years from 14 July 2008)	Apartment unit
No. 20 VSIP II, Street 2, Vietnam Singapore Industrial Park 2 Hoa Phu Ward, Thu Dau Mot City, Binh Duong Province, Vietnam [(a)]	Leasehold (50 years from 29 June 2006)	Land and factory building

NOTES TO FINANCIAL STATEMENTS
30 June 2024

15 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Location	Title	Description
PTD 37433, 37434 & 37444 Off Jalan Perindustrian Senai 3 Kawasan Perindustrian Senai Fasa 2 81400 Senai, Johor Bahru Johor Darul Takzim, Malaysia	Freehold	Land and factory building
Lot B Kawasan Perindustrian Beribi 1 Jalan Gadong BE1118 Bandar Seri Begawan Negara Brunei Darussalam [(a)]	Leasehold (20 years from 1 July 2012)	Land and factory building
The Central Sukajadi Block B1, No. 3A-5 Batam 29462, Indonesia	Leasehold (30 years from 5 August 2003)	Office shop lot
Street 1019, Sangkat Kork Kleang Khan Sen Sok Phnom Penh, Cambodia [(a)(b)]	Leasehold (15 years from 1 March 2021)	Warehouse building and office

(a) The carrying amounts of the leasehold land and buildings are classified under right-of-use assets (Note 16) as at 30 June 2024 was $8,919,000 (2023 : $10,365,000).

(b) The carrying amount of the leasehold building is recorded as right-of-use assets (Note 16) only.

Key sources of estimation uncertainty

Impairment of property, plant and equipment ("PPE")

PPE are stated at cost less accumulated depreciation and accumulated impairment loss. The group and company follows the guidance of SFRS(I) 1-36 *Impairment of Assets* to determine whether there is any indication that those assets have suffered an impairment loss at each reporting period. If such indication exists, the recoverable amount of the assets is estimated to determine the extent of the impairment loss (if any).

The recoverable amount of the PPE is determined based on higher of fair value less costs of disposal and value-in-use calculation which uses cash flow projections based on financial budget approved by the directors, projected over the remaining useful life of the underlying asset. Management uses the expected cash flow approach taking into consideration possible variations in the amount or timing of the future cash flows and assigns probabilities to estimates of future cash flows. An appropriate discount rate is estimated in order to calculate the present value of the future cash flows.

NOTES TO FINANCIAL STATEMENTS

30 June 2024

16 RIGHT-OF-USE ASSETS

The group leases several leasehold land and buildings, office equipment, plant and machinery and motor vehicles. As at 30 June 2024, the average remaining lease term is between 1 month to 32 years (2023 : 3 months to 32 years).

The group has options to purchase certain equipment for a nominal amount at the end of the lease term. The group's obligations are secured by the lessors' title to the leased assets for such leases.

	Leasehold land and buildings $'000	Office equipment $'000	Plant and machinery $'000	Motor vehicles $'000	Total $'000
Group					
Cost:					
At 1 July 2022	16,155	428	–	867	17,450
Additions	585	48	–	514	1,147
De-recognition	(99)	–	–	–	(99)
Adjustment#	388	–	–	–	388
Currency realignment	(184)	(1)	–	(30)	(215)
At 30 June 2023	16,845	475	–	1,351	18,671
Additions	1,151	–	153	65	1,369
De-recognition	(160)	–	–	–	(160)
Adjustment#	116	–	–	–	116
Transfer to property, plant and equipment	–	–	–	(297)	(297)
Currency realignment	(25)	–	–	(11)	(36)
At 30 June 2024	17,927	475	153	1,108	19,663
Accumulated depreciation:					
At 1 July 2022	2,597	80	–	495	3,172
Depreciation	1,311	91	–	264	1,666
De-recognition	(87)	–	–	–	(87)
Currency realignment	(30)	(1)	–	(25)	(56)
At 30 June 2023	3,791	170	–	734	4,695
Depreciation	1,215	95	31	274	1,615
De-recognition	(128)	–	–	–	(128)
Transfer to property, plant and equipment	–	–	–	(297)	(297)
Currency realignment	(6)	–	–	(5)	(11)
At 30 June 2024	4,872	265	31	706	5,874
Impairment:					
At 1 July 2022	–	–	–	–	–
Impairment loss	2,706	–	–	–	2,706
Currency realignment	(17)	–	–	–	(17)
At 30 June 2023	2,689	–	–	–	2,689
Impairment loss	1,430	–	–	–	1,430
Currency realignment	17	–	–	–	17
At 30 June 2024	4,136	–	–	–	4,136
Carrying amount:					
At 30 June 2024	8,919	210	122	402	9,653
At 30 June 2023	10,365	305	–	617	11,287

Revision of rental rates and rental term.

NOTES TO **FINANCIAL STATEMENTS**

30 June 2024

16 RIGHT-OF-USE ASSETS (CONT'D)

Impairment losses recognised during the year

During the year, the group carried out a review of the recoverable amount of a lease building premise in Cambodia, which possesses a remaining lease term of 12 years (2023 : 13 years).

The review led to the recognition of an impairment loss of $1,430,0000 (2023 : $2,706,000) that has been recognised in the profit or loss and included in the other operating expenses line item. The fair value less costs of disposal is less than the value in use and hence the recoverable amount of the relevant assets has been determined on the basis of their value in use. The building premise was impaired to their recoverable amount based on the value-in-use of $Nil (2023 : $1,580,000), which is their carrying value at year end.

The average growth rate for revenue and discount rate used in measuring value in use was 8% (2023 : 20%) per annum and 15% (2023 : 15%) respectively.

	Leasehold land $'000	Plant and machinery $'000	Total $'000
Company			
Cost:			
At 1 July 2022	5,104	–	5,104
Adjustment#	129	–	129
At 30 June 2023	5,233	–	5,233
Additions	–	153	153
At 30 June 2024	5,233	153	5,386
Accumulated depreciation:			
At 1 July 2022	1,091	–	1,091
Depreciation	372	–	372
At 30 June 2023	1,463	–	1,463
Depreciation	375	30	405
At 30 June 2024	1,838	30	1,868
Carrying amount:			
At 30 June 2024	3,395	123	3,518
At 30 June 2023	3,770	–	3,770

Revision of rental rates.

NOTES TO FINANCIAL STATEMENTS

30 June 2024

16 RIGHT-OF-USE ASSETS (CONT'D)

Key sources of estimation uncertainty

Impairment of right-of-use assets ("ROUA")

ROUA are stated at cost less accumulated depreciation and accumulated impairment loss. The group and company follows the guidance of SFRS(I) 1-36 *Impairment of Assets* to determine whether there is any indication that those assets have suffered an impairment loss at each reporting period. If such indication exists, the recoverable amount of the assets is estimated to determine the extent of the impairment loss (if any).

The recoverable amount of the ROUA is determined based on the higher of fair value less costs of disposal and value-in-use calculation which uses cash flow projections based on financial budget approved by the directors, projected over the remaining useful life of the underlying asset. Management uses the expected cash flow approach taking into consideration possible variations in the amount or timing of the future cash flows and assigns probabilities to estimates of future cash flows. An appropriate discount rate is estimated in order to calculate the present value of the future cash flows.

17 INVESTMENT PROPERTIES

	Group $'000
Cost:	
At 1 July 2022	3,195
Additions	312
Disposals	(132)
Reclassified as held for sale (Note 12)	(180)
Currency realignment	(269)
At 30 June 2023	2,926
Currency realignment	(18)
At 30 June 2024	2,908
Accumulated depreciation:	
At 1 July 2022	287
Depreciation	55
Disposals	(1)
Reclassified as held for sale (Note 12)	(4)
Currency realignment	(26)
At 30 June 2023	311
Depreciation	48
Currency realignment	(2)
At 30 June 2024	357
Carrying amount:	
At 30 June 2024	2,551
At 30 June 2023	2,615

NOTES TO **FINANCIAL STATEMENTS**

30 June 2024

17 INVESTMENT PROPERTIES (CONT'D)

The investment properties of the group at the end of the reporting period are as follows:

Location	Title	Description
Lot 45101, PLO 158 Jalan Murni 12 Taman Perindustrian Murni 81400 Senai Johor, Malaysia	Freehold	Commercial property for leasing
Lot 56605, Lot 91 Off Persiaran Golf, Saujana Resort, Seksyen U2, 40150 Shah Alam, Selangor, Malaysia	Freehold	Apartment unit for leasing

The property rental income from the group's investment properties which is leased out under operating lease amounted to $150,000 (2023 : $158,000). Direct operating expenses (including repairs and maintenance) arising from the rental-generating investment properties amounted to $14,000 (2023 : $14,000).

The fair value of the investment properties as at 30 June 2024 amounted to $4,402,000 (2023 : $3,949,000) and had been determined on the basis of valuations carried out by an independent valuer having an appropriate recognised professional qualification.

18 GOODWILL

	Goodwill on consolidation $'000
Group	
Cost:	
At 1 July 2022	–
Recognised on acquisition of a subsidiary (Note 40)	129
At 30 June 2023 and 30 June 2024	129
Carrying amount:	
At 30 June 2023 and 30 June 2024	129

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FINANCIAL STATEMENTS
30 June 2024

18 GOODWILL (CONT'D)

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. Before recognition of impairment losses, the carrying amount of goodwill had been allocated as follows:

	Group	
	2024	2023
	$'000	$'000
Nishi Densen Sdn Bhd	129	129

The group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

19 INTANGIBLE ASSETS

	Customer relationships $'000
Group	
Cost:	
At 1 July 2022, 30 June 2023 and 30 June 2024	2,114
Accumulated amortisation:	
At 1 July 2022, 30 June 2023 and 30 June 2024	2,114
Carrying amount:	
At 30 June 2023 and 30 June 2024	–

NOTES TO
FINANCIAL STATEMENTS
30 June 2024

20 DEFERRED TAX ASSETS (LIABILITIES)

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Deferred tax assets	775	1,292	667	1,200
Deferred tax liabilities	(1,466)	(807)	–	–

The major components giving rise to deferred tax assets and liabilities recognised by the group and the company and movements thereon during the year:

	Accelerated tax depreciation	Right-of-use assets #	Provisions and other liabilities #	Tax losses	Total
	$'000	$'000	$'000	$'000	$'000
Group					
At 1 July 2022	(1,606)	(900)	3,452	–	946
Recognised on acquisition of a subsidiary	(30)	–	–	–	(30)
Credit (Charge) to profit or loss	5	95	(531)	–	(431)
Currency realignment	13	–*	(13)	–	–*
At 30 June 2023	(1,618)	(805)	2,908	–	485
Credit (Charge) to profit or loss	(714)	(146)	(310)	1	(1,169)
Currency realignment	(1)	–*	(6)	–*	(7)
At 30 June 2024	(2,333)	(951)	2,592	1	(691)

* Amount less than $1,000.

\# As at 1 July 2022, the group recognises deferred tax asset of $976,000 (2023 : $901,000) and deferred tax liability of $900,000 (2023 : $805,000) in relation to its lease liabilities and right-of use assets respectively, following the adoption of the amendments to SFRS(I) 1-12 as disclosed in Note 1.2.

NOTES TO FINANCIAL STATEMENTS

30 June 2024

20 DEFERRED TAX ASSETS (LIABILITIES) (CONT'D)

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised is $93.68 million (2023 : $90.88 million). No liability has been recognised in respect of these differences because the group is in a position to control the timing of reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

	Accelerated tax depreciation	Right-of-use assets #	Provisions and other liabilities #	Total
	$'000	$'000	$'000	$'000
Company				
At 1 July 2022	(569)	(682)	2,983	1,732
Credit (Charge) to profit or loss	(86)	41	(487)	(532)
At 30 June 2023	(655)	(641)	2,496	1,200
Credit (Charge) to profit or loss	9	43	(585)	(533)
At 30 June 2024	(646)	(598)	1,911	667

\# As at 1 July 2022, the company recognises deferred tax asset of $717,000 (2023 : $684,000) and deferred tax liability of $682,000 (2023 : $641,000) in relation to its lease liabilities and right-of use assets respectively, following the adoption of the amendments to SFRS(I) 1-12 as disclosed in Note 1.2.

21 BANK BORROWINGS

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Bank loans	4,000	4,316	–	–
Trust receipts and bills payable to banks	43,307	29,210	22,751	6,016
Total	47,307	33,526	22,751	6,016

The group's bank borrowings are secured by the following:

i) negative pledge over all assets of a subsidiary; and

ii) corporate guarantees given to subsidiaries of up to RM116.50 million ($33.54 million) [2023 : RM91.50 million ($26.51 million)], US$10 million ($13.58 million) [2023 : US$10 million ($13.56 million)], and $24.32 million (2023 : $24.32 million) by the company (Note 37).

NOTES TO FINANCIAL STATEMENTS

30 June 2024

21 BANK BORROWINGS (CONT'D)

Bank borrowings, excluding bills payable, for the group and company amounting to $46,351,000 (2023 : $32,810,000) and $22,751,000 (2023 : $6,016,000) bear fixed interest rates ranging from 3.10% to 5.02% (2023 : 3.02% to 5.30%) and 4.19% to 4.27% (2023 : 4.39% to 4.50%) per annum respectively. Trust receipts of $Nil (2023 : $716,000) by the group bear variable interest rates with average effective interest rate of Nil% (2023 : 7.39%). Bills payables to banks amounting $956,000 (2023 : $Nil) are non-interest bearing. Secured bank loan, trust receipt and bill payables to banks are due within 12 months.

Reconciliation of liabilities arising from financing activities

The table below details changes in the group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the group's consolidated statement of cash flows as cash flows from financing activities.

			Non-cash changes			
	1 July 2023	Financing cash flow	New leases	De-recognition of leases	Foreign exchange movement	30 June 2024
	$'000	$'000	$'000	$'000	$'000	$'000
Bank borrowings (Note 21)	33,526	13,963	–	–	(182)	47,307
Lease liabilities (Note 26)	12,194	(1,169)	1,485	(33)	(15)	12,462
	45,720	12,794	1,485	(33)	(197)	59,769

			Non-cash changes			
	1 July 2022	Financing cash flow	New leases and acquired on acquisition of a subsidiary	De-recognition of leases	Foreign exchange movement	30 June 2023
	$'000	$'000	$'000	$'000	$'000	$'000
Bank borrowings (Note 21)	31,370	3,897	–	–	(1,741)	33,526
Lease liabilities (Note 26)	11,670	(935)	1,555	(12)	(84)	12,194
	43,040	2,962	1,555	(12)	(1,825)	45,720

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22 TRADE PAYABLES

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Outside parties	23,223	23,513	5,465	7,068
Related parties (Note 5)	123	6	–	–
Subsidiaries (Note 13)	–	–	4,539	4,486
Associates (Note 14)	40	87	–	–
	23,386	23,606	10,004	11,554

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

23 OTHER PAYABLES

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Accruals [a]	9,083	9,507	3,275	2,762
Provision for directors' fees	199	237	79	83
Deferred grant income	87	117	38	46
Sundry payables	1,156	1,208	107	233
Subsidiary (Note 13)	–	–	–	40
Associate (Note 14)	14	9	–	–
Total	10,539	11,078	3,499	3,164
Less: Non-current other payables	(200)	(195)	–	–
Current other payables	10,339	10,883	3,499	3,164

(a) Accruals mainly relate to accruals for staff costs.

NOTES TO FINANCIAL STATEMENTS

30 June 2024

24 CONTRACT LIABILITIES

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Amounts received in advance of delivery [(a)]	4,536	3,150	13	29
Amounts related to test and inspections contracts [(b)]	33	29	–	–
	4,569	3,179	13	29

(a) Revenue is recognised when control of the goods has been transferred to the customer. A contract liability is recognised at the time of the initial payment by the customer and derecognised upon the delivery of goods to customers.

(b) Contract liabilities relating to test and inspections contracts are recognised when advance billing is made to customer for ongoing contracts. A contract liability is recognised until the services have been provided to the customer.

As at 1 July 2022, the group and the company have contract liabilities amounting to $2.48 million and $0.35 million respectively.

There were no significant changes in the contract liability balances during the reporting period.

The following table shows how much of the revenue recognised in the current reporting period relates to brought–forward contract liabilities. There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

Group's revenue recognised that was included in the contract liability balance at the beginning of the period:

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Amounts received in advance of delivery	3,150	2,447	29	345
Amounts related to test and inspections contracts	29	36	–	–
	3,179	2,483	29	345

NOTES TO FINANCIAL STATEMENTS

30 June 2024

25 PROVISION FOR ONEROUS CONTRACTS

	Group and Company	
	2024	2023
	$'000	$'000
Balance at beginning of year	7,886	12,557
Credit to profit or loss	(3,809)	(4,671)
Balance at end of year	4,077	7,886

Management has made assessment for the fixed price onerous contracts which deliveries are expected to be made over the next 1 to 3 years after the year end. During the year, a reversal provision for onerous contracts of $3.81 million (2023 : $4.67 million) was made based on prevailing copper price as at the end of the reporting period. Any fluctuation in copper price subsequent to year end will result in addition or reversal of such provision.

The reversals of provision for onerous contract for the financial year ended 30 June 2024 and 2023 have been credited to cost of sales.

Key sources of estimation uncertainty

Provision for onerous contracts

The policy for provision of onerous contracts for the Group is based on management's judgement and evaluation of the estimated losses arising from the differences between (1) the committed selling prices and estimated cost of sales for the unfulfilled sales quantities committed in respect of contracts by the end of the financial year and (2) the committed prices and estimated cost for the services committed in respect of uncompleted contracts.

A considerable amount of judgement is required in assessing the unavoidable costs of meeting the obligations under the contract. This determination requires management to evaluate and estimate, among other factors copper prices, the outstanding quantity of copper for future delivery and the timing of future delivery, the hedged copper quantity, the quantity of finished goods on hand that can be used to fulfil onerous contracts and the percentage of copper costs in cables.

NOTES TO FINANCIAL STATEMENTS
30 June 2024

26 LEASE LIABILITIES (GROUP AS A LESSEE)

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Maturity analysis:				
Year 1	1,759	1,593	532	478
Year 2	1,606	1,393	532	478
Year 3	1,420	1,214	500	478
Year 4	1,311	1,293	478	478
Year 5	1,307	1,263	478	478
Year 6 onwards	10,047	10,376	1,970	2,449
	17,450	17,132	4,490	4,839
Less: Unearned interest	(4,988)	(4,938)	(680)	(815)
	12,462	12,194	3,810	4,024
Analysed as:				
Current	1,360	1,203	401	338
Non-current	11,102	10,991	3,409	3,686
	12,462	12,194	3,810	4,024

The group does not face a significant liquidity risk with regard to its lease liabilities.

27 SHARE CAPITAL

	Group and Company	
	Number of ordinary shares	$'000
Issued and paid up capital:		
At 1 July 2022, 30 June 2023 and 30 June 2024	462,988,841	63,712

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividend.

28 TREASURY SHARES

	Group and Company	
	Number of ordinary shares	$'000
At 1 July 2022, 30 June 2023 and 30 June 2024	2,727,000	950

NOTES TO FINANCIAL STATEMENTS

30 June 2024

29 RESERVES

Other reserves

Other reserves include share of post-acquisition reserve of associates and reserves arising from the acquisition of additional interests in subsidiaries.

In accordance with the relevant laws and regulations in People's Republic of China, the associate of the group is required to appropriate a minimum of 10% of the net profit after taxation after deducting losses carried forward reported in the statutory accounts to the statutory reserve until the balance of such reserve reached 50% of its registered share capital.

The amount to be set aside is determined by the Board of Directors annually in accordance with the relevant regulations. This reserve cannot be used for purposes other than those for which it is created and is not distributed as cash dividends but it can be used to offset losses or be capitalised as capital.

30 REVENUE

The group derives its revenue from the transfer of goods and services over time and at a point in time in the following major operating segments. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 (see Note 41).

	Group	
	2024	**2023**
	$'000	**$'000**
At a point in time:		
Cable and wire distribution	271,351	280,228
Electrical material distribution	93,876	108,310
Test and inspections	8,868	10,301
Switchboard	4,554	4,654
Over time:		
Electrical material distribution	1,188	49
Test and inspections	20,843	18,184
	400,680	421,726

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period.

	Group	
	2024	**2023**
	$'000	**$'000**
Test and inspections contracts	20,525	21,267

Management expects that 39.75% (2023 : 41.85%) of the transaction price allocated to the on-going contracts as of 30 June 2024 will be recognised as revenue during the next reporting period amounting to $8,159,000 (2023 : $8,901,000). Of the remaining 60.25% (2023 : 58.15%), $10,750,000 (2023 : $10,750,000) will be recognised between financial years 2026 to 2029 (2023 : 2025 to 2028) and $1,616,000 (2023 : $1,616,000) in the financial year 2030 (2023 : 2029) onwards.

NOTES TO **FINANCIAL STATEMENTS**

30 June 2024

31 OTHER OPERATING INCOME

	Group	
	2024	**2023**
	$'000	**$'000**
Gain on disposal of property, plant and equipment	201	52
Gain on foreign currency exchange	1,840	323
Interest income from deposits	156	262
Management fee (Note 5)	19	18
Rental of investment properties (Note 17)	150	158
Scrap sales	2,026	1,707
Reversal of allowance for trade and other receivables	–	846
Fair value adjustment on derivative financial instruments taken to profit or loss	–	644
Government grants	308	426
Others	786	564
	5,486	5,000

32 FINANCE COSTS

	Group	
	2024	**2023**
	$'000	**$'000**
Interest on bank borrowings	1,917	1,812
Interest on lease liabilities	345	342
	2,262	2,154

NOTES TO FINANCIAL STATEMENTS

30 June 2024

33 INCOME TAX EXPENSE

	Group	
	2024	2023
	$'000	$'000
Income tax:		
Current	3,873	3,746
Under provision in prior years	549	326
	4,422	4,072
Deferred income tax:		
Current	895	900
Under (Over) provision in prior years	274	(469)
	1,169	431
Withholding tax	88	79
Total income tax expense	5,679	4,582

Domestic income tax is calculated at 17% (2023 : 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total charge for the year can be reconciled to the accounting profit as follows:

	Group	
	2024	2023
	$'000	$'000
Profit before income tax	20,425	21,392
Income tax expense at domestic rate of 17% (2023 : 17%)	3,472	3,637
Non-deductible items	1,251	1,513
Income not taxable	(380)	(420)
Deferred tax benefits not recognised	253	121
Under (Over) provision of taxation in prior years	823	(143)
Tax rebates	(121)	(115)
Effect of different tax rates of subsidiaries operating in other jurisdictions	246	121
Utilisation of deferred tax benefits previously not recognised	(25)	(162)
Withholding tax	88	79
Others	72	(49)
	5,679	4,582

NOTES TO FINANCIAL STATEMENTS

30 June 2024

33 INCOME TAX EXPENSE (CONT'D)

The subsidiaries have tax losses carryforward and temporary differences from capital allowance available for offsetting against future taxable income as follows:

	Group	
	2024	**2023**
	$'000	**$'000**
Unutilised capital allowance		
Adjustment	159	–
Movement during the year	57	–
Balance at end of year	216	–

	Group	
	2024	**2023**
	$'000	**$'000**
Tax losses carryforward		
Balance at beginning of year	2,972	2,242
Adjustment	1,174	–
Arising from acquisition of a subsidiary	–	309
Movement during the year	1,154	507
Currency realignment	(163)	(86)
Balance at end of year	5,137	2,972
Total	5,353	2,972
Deferred tax benefits on above:		
Unrecorded	1,050	602

Deferred tax benefit varies from the Singapore statutory rate as they include deferred tax on overseas operations.

Certain deferred tax benefits have not been recognised as it is not probable that the relevant subsidiaries will have taxable profits in the foreseeable future to utilise the tax losses carryforward and temporary differences from capital allowances.

The realisation of the future income tax benefit from the remaining tax losses carryforward and temporary differences from capital allowances is available for an unlimited future period subject to conditions imposed by law including the retention of majority shareholders as defined.

NOTES TO FINANCIAL STATEMENTS

30 June 2024

34 PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	Group	
	2024 $'000	2023 $'000
Directors' remuneration:		
- of the company	1,420	1,275
- of the subsidiaries	3,205	2,855
Total directors' remuneration	4,625	4,130
Directors' fee	466	438
Audit fees:		
- Auditors of the company	476	405
- Other auditors	36	73
Non-audit fees:		
- Auditors of the company	62	43
- Other auditors	15	26
Cost of inventories recognised as expense	311,665	332,831
Reversal of provision for onerous contracts	(3,809)	(4,671)
Expense relating to short-term leases	1,226	1,119
Expense relating to leases of low value assets	54	33
Foreign currency exchange adjustment gain	(1,840)	(323)
Property, plant and equipment written off	45	63
Inventories written off	289	223
Allowance for inventories obsolescence	31	57
Bad debts recovered	(15)	(8)
Loss allowance (Reversal of) for trade and other receivables	402	(846)
Depreciation of property, plant and equipment	5,636	5,087
Depreciation of investment properties	48	55
Depreciation on right-of-use assets	1,615	1,666
Impairment loss on property, plant and equipment	893	–
Impairment loss on right-of-use assets	1,430	2,706
Gain on disposal of property, plant and equipment	(201)	(52)
Gain on disposal of right-of-use assets	(1)	–*
Gain on disposal of assets classified as held for sale	(5)	–
Loss on disposal of an investment property	–	4
Loss on revaluation of other investments	–*	1
Fair value adjustments on derivative financial instruments taken to profit or loss	1,511	(644)
Realised (gain) loss on derivative financial instruments included in cost of sales	(1,543)	760
Government grants	(308)	(426)
Interest income	(156)	(262)
Employee benefits expense (including directors' remuneration)	46,175	48,520
Cost of defined contribution plans included in employee benefits expense	3,146	3,548

* Amount less than $1,000.

NOTES TO **FINANCIAL STATEMENTS**

30 June 2024

35 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the company is based on the following data:

Earnings

	Group	
	2024	**2023**
	$'000	**$'000**
Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to equity holders of the company)	14,597	16,674

Number of shares

	Group	
	2024	**2023**
Weighted average number of ordinary shares for the purposes of basic earnings per share and diluted earnings per share	460,261,841	460,261,841

36 DIVIDENDS

During the financial year ended 30 June 2024, the company declared and paid dividends totalling $10.816 million. Details were as follows:

(a) Final tax-exempt dividend of 1.60 cent per ordinary share in respect of the financial year ended 30 June 2023 totalling $7.364 million; and

(b) Interim tax-exempt dividend of 0.75 cent per ordinary share in respect of the financial year ended 30 June 2024 totalling $3.452 million.

During the financial year ended 30 June 2023, the company declared and paid dividends totalling $10.816 million. Details were as follows:

(a) Final tax-exempt dividend of 1.60 cent per ordinary share in respect of the financial year ended 30 June 2022 totalling $7.364 million; and

(b) Interim tax-exempt dividend of 0.75 cent per ordinary share in respect of the financial year ended 30 June 2023 totalling $3.452 million.

Subsequent to 30 June 2024, the directors of the company recommended that a final tax-exempt dividend be paid at 1.60 cent per ordinary share totalling $7.364 million for the financial year ended 30 June 2024. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

NOTES TO FINANCIAL STATEMENTS

30 June 2024

37 CONTINGENT LIABILITIES

	Company	
	2024	2023
	$'000	$'000
Corporate guarantee in relation to credit facilities granted to subsidiaries (Note 21)	24,347	30,108

38 COMMITMENTS

	Group and Company	
	2024	2023
	$'000	$'000
Commitment to purchase fixed quantum of copper from suppliers at market rate at date of delivery	109,200	30,965

39 OPERATING LEASE ARRANGEMENTS

Group as a lessee

At 30 June 2024, the group is committed to $682,000 (2023 : $666,000) for short-term leases.

Group as a lessor

Operating leases, in which the group is the lessor, relate to investment properties owned by the group with lease terms of 9 to 12 months, with 3 years extension option. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The unguaranteed residual values do not represent a significant risk for the group.

Maturity analysis of operating lease receivables:

	Group	
	2024	2023
	$'000	$'000
Within 1 year	134	354
Within 2 to 5 years	–	159
Total	134	513

NOTES TO **FINANCIAL STATEMENTS**

30 June 2024

40 ACQUISITION OF A SUBSIDIARY

On 1 July 2022, the group acquired 100% of the issued and fully paid-up share capital of Nishi Densen Sdn Bhd ("NSD") (previously known as Nishiden (Malaysia) Sdn Bhd) at a cash consideration of $870,000.

NSD is incorporated in Malaysia with its principal activities being fabricating of copper wiring, cables and other related parts.

Identifiable assets and liabilities at the date of acquisition

	Fair value
	$'000
Cash and bank balances	75
Trade and other receivables	421
Inventories	131
Property, plant and equipment	303
Trade and other payables	(139)
Lease liabilities	(20)
Deferred tax liabilities	(30)
Net assets	741

Goodwill arising on acquisition

	2023
	$'000
Consideration transferred	870
Less: Fair value of identifiable net assets acquired	(741)
Goodwill arising on acquisition	129

Goodwill arose in acquisition pertains to consideration paid for NSD's know-how over the manufacture of branch cables.

None of the goodwill is expected to be deductible for tax purposes.

Net cash outflow on acquisition

	2023
	$'000
Consideration paid in cash	870
Less: Cash and cash equivalent acquired	(75)
Net cashflows arising from acquisition of a subsidiary	795

NOTES TO FINANCIAL STATEMENTS

30 June 2024

41 SEGMENT INFORMATION

The group has the following five strategic units, which are its reportable segments. These units offer different products and services, and are managed separately because they sell different products or services and have their own marketing strategies. The group's CEO (the chief operating decision maker) reviews internal management reports of each unit at least quarterly. The following summary describes the operations in each of the group's reportable segments:

- *Cable & Wire.* Includes cable and wire manufacturing and dealing in such products.
- *Electrical Material Distribution.* Includes distribution of electrical products.
- *Test & Inspection.* Includes laboratories for tests, experiments and researches and provision of quality consultancy services.
- *Switchboard.* Includes manufacturing and dealing in electrical switchboards, feeders pillars and components.
- *Others.* Investment holding.

Accordingly, the above are the group's reportable segments under SFRS(I) 8. No operating segments have been aggregated to form the above reportable operating segments. Information regarding the group's reportable segments is presented below. There is no change to amounts reported for the prior year as the segment information reported internally is provided to the group's chief operating decision maker on a similar basis.

NOTES TO **FINANCIAL STATEMENTS**

30 June 2024

41 SEGMENT INFORMATION (CONT'D)

Segment revenue and results

	Cable & wire $'000	Electrical material distribution $'000	Test & inspection $'000	Switch-board $'000	Others $'000	Elimination $'000	Total $'000
2024							
REVENUE							
External sales	271,351	95,064	29,711	4,554	–	–	400,680
Inter-segment sales	801	32	9	–	–	(842)	–
Total revenue	272,152	95,096	29,720	4,554	–	(842)	400,680
RESULT							
Segment result	20,800	2,795	(1,813)	233	(7)	–	22,008
Interest expense	(1,599)	(175)	(480)	(8)	–	–	(2,262)
Interest income	113	–	43	–	–	–	156
Share of profit of associates	–	518	5	–	–	–	523
Income tax expense							(5,679)
Non-controlling interests							(149)
Profit attributable to shareholders of the company							14,597
2023							
REVENUE							
External sales	280,228	108,359	28,485	4,654	–	–	421,726
Inter-segment sales	1,639	838	8	–	–	(2,485)	–
Total revenue	281,867	109,197	28,493	4,654	–	(2,485)	421,726
RESULT							
Segment result	18,785	7,193	(3,402)	251	(42)	–	22,785
Interest expense	(1,538)	(167)	(441)	(8)	–	–	(2,154)
Interest income	228	3	31	–	–	–	262
Share of profit of associates	–	498	1	–	–	–	499
Income tax expense							(4,582)
Non-controlling interests							(136)
Profit attributable to shareholders of the company							16,674

Revenue reported above represents revenue generated from external customers. There were inter-segment sales of $842,000 (2023 : $2,485,000) during the year.

The accounting policies of the reportable segments are the same as the group's accounting policies described in Note 2. Segment profit represents profit earned by each segment without allocation of income tax expense and non-controlling interests. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

NOTES TO FINANCIAL STATEMENTS

30 June 2024

41 SEGMENT INFORMATION (CONT'D)

Segment assets and liabilities

	Cable & wire $'000	Electrical material distribution $'000	Test & inspection $'000	Switch-board $'000	Others $'000	Total $'000
2024						
Segment assets	203,072	67,164	27,993	3,372	710	302,311
Interest in associates	–	11,482	936	–	–	12,418
Unallocated segment assets						933
Consolidated total assets						315,662
Segment liabilities	66,657	22,501	12,669	496	18	102,341
Unallocated segment liabilities						4,671
Consolidated total liabilities						107,012
2023						
Segment assets	190,732	63,521	30,428	3,897	37	288,615
Interest in associates	–	11,109	931	–	–	12,040
Unallocated segment assets						1,416
Consolidated total assets						302,071
Segment liabilities	58,748	20,586	11,680	436	19	91,469
Unallocated segment liabilities						3,847
Consolidated total liabilities						95,316

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments other than deferred tax assets and tax recoverable. All liabilities are allocated to reportable segments other than deferred tax liabilities and tax payables.

Other segment information

	Cable & wire $'000	Electrical material distribution $'000	Test & inspection $'000	Switch-board $'000	Others $'000	Total $'000
2024						
Additions to non-current assets	5,645	1,438	1,822	44	–	8,949
Depreciation and amortisation	3,332	1,505	2,381	81	–	7,299
Non-cash expenses (income) other than depreciation and amortisation	(4,927)	779	2,865	38	(26)	(1,271)
2023						
Additions to non-current assets	3,704	1,490	1,277	5	–	6,476
Depreciation and amortisation	2,836	1,173	2,718	81	–	6,808
Non-cash expenses (income) other than depreciation and amortisation	(7,057)	368	3,120	57	21	(3,491)

NOTES TO FINANCIAL STATEMENTS
30 June 2024

41 SEGMENT INFORMATION (CONT'D)

Geographical information

The group operates in six principal geographical areas - Singapore, Malaysia, Vietnam, Brunei, Indonesia and Cambodia.

The group's revenue from external customers and information about its segment assets (non-current assets excluding derivative financial instruments, investments in associates, other investments and deferred tax assets) by geographical location are detailed below:

	Revenue $'000	Non-current assets $'000
2024		
Singapore	278,047	37,379
Malaysia	80,084	9,378
Vietnam	18,215	2,776
Brunei	4,769	37
Indonesia	10,345	1,513
Cambodia	7,291	43
Others	1,929	–
	400,680	51,126
2023		
Singapore	320,316	37,506
Malaysia	68,455	8,159
Vietnam	13,203	2,347
Brunei	4,792	74
Indonesia	8,660	1,622
Cambodia	3,909	2,745
Others	2,391	–
	421,726	52,453

NOTES TO
FINANCIAL STATEMENTS
30 June 2024

42 STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the group and the company have not applied the following SFRS(I) pronouncements that have been issued but not effective:

Effective for annual periods beginning on or after 1 January 2024

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*
- Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*
- Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*
- Amendments to SFRS(I) 1-7 and SFRS(I) 7: *Supplier Finance Arrangements*

Effective date is deferred indefinitely

- Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between Investor and its Associate or Joint Venture*

Management anticipates that the adoption of the above SFRS(I), SFRS(I) INT and amendments to SFRS(I)s in future periods will not have a material impact on the financial statements of the group and of the company in the period of their initial adoption.

43 EVENTS AFTER THE REPORTING PERIOD

On 1 July 2024, a wholly-owned subsidiary Lim Kim Hai Electric Co. (S) Pte. Ltd. (“LKHE”) has entered into an addendum to the Share Purchase Agreement dated 1 October 2019 to acquire an additional 20% of PT Elmecon Multikencana’s (“Elmecon”) shareholdings for $693,376 (IDR8,364,000,000). The completion of the acquisition shall be on 2 January 2025, upon satisfaction of the agreement’s conditions. Post-Completion of the Additional Share Acquisition by LKHE, LKHE’s interest in the issued and paid-up share capital of Elmecon will increase from 40% to 60%.

ANALYSIS OF SHAREHOLDINGS

As at 19 September 2024

NUMBER OF ISSUED SHARES (INCLUDING TREASURY SHARES)	:	**462,988,841**
NUMBER OF ISSUED SHARES (EXCLUDING TREASURY SHARES)	:	**460,261,841**
NUMBER / PERCENTAGE OF TREASURY SHARES	:	**2,727,000 (0.59%)**
NUMBER / PERCENTAGE OF SUBSIDIARY HOLDINGS	:	**Nil**
CLASS OF SHARES	:	**ORDINARY SHARES**
VOTING RIGHTS	:	**1 VOTE PER SHARE**

DISTRIBUTION OF SHAREHOLDINGS AS AT 19 SEPTEMBER 2024

Size of shareholdings	No. of shareholders	%	No. of Shares	%
1 - 99	118	3.81	4,702	0.00
100 - 1,000	271	8.75	180,195	0.04
1,001 - 10,000	1,047	33.80	6,500,776	1.41
10,001 - 1,000,000	1,620	52.29	98,732,371	21.45
1,000,001 and above	42	1.35	354,843,797	77.10
Total:	**3,098**	**100.00**	**460,261,841**	**100.00**

TWENTY LARGEST SHAREHOLDERS AS AT 19 SEPTEMBER 2024

No.	Name of shareholders	No. of shares	%
1	LIM BOON HOCK BERNARD	77,529,196	16.85
2	LIM BOON CHIN BENJAMIN (LIN WENJIN BENJAMIN)	43,004,855	9.34
3	LIM CHYE HUAT @ BOBBY LIM CHYE HUAT	31,396,534	6.82
4	LIM BOON HOH BENEDICT (LIN WENHE, BENEDICT)	28,540,925	6.20
5	LIM CHAI LAI @ LOUIS LIM CHAI LAI	16,802,867	3.65
6	LIM LIAN HIONG	15,335,628	3.33
7	DBS NOMINEES PTE LTD	12,507,652	2.72
8	LIM HIANG LAN	12,174,738	2.65
9	LIM PHEK CHOO CONSTANCE	10,601,386	2.30
10	LIM LIAN ENG	8,919,850	1.94
11	CHEN LAWRENCE LI	7,090,001	1.54
12	AU AH YIAN	6,608,173	1.44
13	CHAN KUM LIN CAROLYN	6,301,471	1.37
14	CHIA AH HENG	6,000,000	1.30
15	GERALDINE CHENG HUA YONG	5,986,937	1.30
16	PANG YOKE CHUN (PENG YUZHEN)	5,313,089	1.15
17	KHALID S/O FAIZ MOHAMED	5,247,301	1.14
18	YEN TSUNG HUA	5,122,140	1.11
19	GERALD CHENG KAI YONG (ZHONG KAIYANG)	5,011,791	1.09
20	PHILLIP SECURITIES PTE LTD	4,503,057	0.98
		313,997,591	68.22

ANALYSIS OF **SHAREHOLDINGS**

As at 19 September 2024

FREE FLOAT OF EQUITY SECURITIES

Based on information available to the Company as at 19 September 2024, approximately 37.45% of the total number of issued ordinary shares (excluding treasury shares) of the Company are held by the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST which requires at least 10% of a listed issuer's equity securities to be held by the public.

SUBSTANTIAL SHAREHOLDERS AS AT 19 SEPTEMBER 2024

(As recorded in the Register of Substantial Shareholders)

	No. of Shares		
Name	**Shareholdings registered in the name of substantial shareholders**	**Shareholdings in which substantial shareholders are deemed to have an interest**	**Total interest**
Mr. Lim Boon Hock Bernard[(1)]	77,529,196	5,313,089	82,842,285
Mdm. Pang Yoke Chun[(2)]	5,313,089	77,529,196	82,842,285
Mr. Lim Boon Chin Benjamin	43,004,855	NIL	43,004,855
Mr. Lim Chye Huat @ Bobby Lim Chye Huat	31,396,534	NIL	31,396,534
Mr. Lim Boon Hoh, Benedict[(3)]	28,540,925	657,200	29,198,125
Mdm. Guah Li Mei, Joanna[(4)]	657,200	28,540,925	29,198,125
Mr. Lim Chai Lai @ Louis Lim Chai Lai[(5)]	16,802,867	6,301,471	23,104,338
Mdm. Chan Kum Lin[(6)]	6,301,471	16,802,867	23,104,338

Notes:

(1) Mr. Lim Boon Hock Bernard is deemed to have an interest in 5,313,089 shares held by his wife, Mdm. Pang Yoke Chun.

(2) Mdm. Pang Yoke Chun is deemed to have an interest in 77,529,196 shares held by her husband, Mr. Lim Boon Hock Bernard.

(3) Mr. Lim Boon Hoh, Benedict is deemed to have an interest in 657,200 shares held by his wife, Mdm. Guah Li Mei, Joanna.

(4) Mdm. Guah Li Mei, Joanna is deemed to have an interest in 28,540,925 shares held by her husband, Mr. Lim Boon Hoh, Benedict.

(5) Mr. Lim Chai Lai @ Louis Lim Chai Lai is deemed to have an interest in 6,301,471 shares held by his wife, Mdm. Chan Kum Lin.

(6) Mdm. Chan Kum Lin is deemed to have an interest in 16,802,867 shares held by her husband, Mr. Lim Chai Lai @ Louis Lim Chai Lai.

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Tai Sin Electric Limited (the "**Company**") will be held at Raffles Marina, Theatrette, Level 2, 10 Tuas West Drive, Singapore 638404 on Tuesday, 29 October 2024 at 10.00 a.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 30 June 2024 together with the Auditors' Report thereon.

   (Resolution 1)

2. To declare a final one-tier tax exempt dividend of S$0.016 per ordinary share for the financial year ended 30 June 2024.

   (Resolution 2)

3. To approve the payment of up to S$274,419 as Directors' fees for the financial year ending 30 June 2025, to be paid quarterly in arrears at the end of each calendar quarter (FY2024: up to S$316,000).
   [See Explanatory Note (i)] **(Resolution 3)**

4. To re-elect Mr. Renny Yeo Ah Kiang, a Director retiring by rotation under Article 91 of the Constitution of the Company.
   [See Explanatory Note (ii)] **(Resolution 4)**

5. To note the retirement of Mr. Soon Boon Siong as a Director of the Company with effect from the conclusion of this Annual General Meeting, under Article 91 of the Constitution of the Company.
   [See Explanatory Note (iii)]

6. To approve the appointment of Mr. Yeo Rankin Brandt as a Director of the Company pursuant to Article 97 of the Constitution of the Company.
   [See Explanatory Note (iv)] **(Resolution 5)**

7. To re-appoint Deloitte & Touche LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

   (Resolution 6)

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

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

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

9. **Authority to issue new shares and/or convertible instruments**

"That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:-

(a) (i) issue shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

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

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

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

provided that:-

(i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company shall not exceed 20% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company (as calculated in accordance with sub-paragraph (ii) below);

(ii) (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 (i) above, the percentage of issued shares shall be based on the total number of issued shares excluding treasury shares and subsidiary holdings of the Company at the time this Resolution is passed, after adjusting for:-

(a) new shares arising from the conversion or exercise of any convertible securities or employee share options or vesting of share awards which were issued and outstanding or subsisting at the time this Resolution is passed; and

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

NOTICE OF
ANNUAL GENERAL MEETING

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(iv) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

[See Explanatory Note (v)] **(Resolution 7)**

10. **Authority to allot and issue new shares pursuant to the Tai Sin Electric Limited Scrip Dividend Scheme**

"That authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of new ordinary shares in the capital of the Company as may be required to be allotted and issued pursuant to the Tai Sin Electric Limited Scrip Dividend Scheme, on such terms and conditions as may be determined by the Directors of the Company, and to do all acts and things which they may in their absolute discretion deem necessary or desirable to carry the same into effect."

[See Explanatory Note (vi)] **(Resolution 8)**

BY ORDER OF THE BOARD

Hazel Chia Luang Chew
Juliana Tan Beng Hwee
Company Secretaries

Singapore, 11 October 2024

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) Ordinary Resolution 3 is to facilitate payment of Directors' fees to Non-Executive Directors on a continuing "**as-earned**" current year basis, for the financial year ending 30 June 2025 ("**FY 2025**").

If approved, payment of Directors' fees to the Non-Executive Directors will be pro-rated or apportioned accordingly and made on or after the last day of each quarter in FY 2025 in respect of the period then ended. If, for unforeseen reasons, payments are required to be made to Directors in excess of the amount proposed in Ordinary Resolution 3, the Company will revert to shareholders for approval at the next Annual General Meeting before any such payments are made.

(ii) Mr. Renny Yeo Ah Kiang will, upon re-election, remain as a Non-Executive and Independent Director of the Company. Mr. Renny Yeo Ah Kiang will, with effect from 30 October 2024, be appointed as Lead Independent Director and Chairman of the Audit and Risk Committee and ceased to be Chairman of the Nominating Committee, and shall remain as a member of the Nominating Committee and Remuneration Committee. There are no relationships (including immediate family relationships) between Mr. Yeo and the other Directors, the substantial shareholders of the Company or the Company. The Board considers Mr. Renny Yeo Ah Kiang to be independent for the purposes of Rule 210(5)(d) and Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

Detailed information of Mr. Renny Yeo Ah Kiang can be found under the sections entitled "**Board of Directors**", and "**Additional Information on Directors Seeking Re-election/Appointment**" in the Company's Annual Report.

(iii) Mr. Soon Boon Siong will, upon retirement as a Director of the Company, cease to be Lead Independent Director, Chairman of the Audit and Risk Committee and a member of the Nominating Committee and Remuneration Committee.

(iv) Ordinary Resolution 5 is to approve the appointment of Mr. Yeo Rankin Brandt as a Non-Executive and Independent Director of the Company. If appointed, Mr. Yeo Rankin Brandt will, with effect from 30 October 2024, be appointed Chairman of the Remuneration Committee and a member of the Nominating Committee. There are no relationships (including immediate family relationships) between Mr. Yeo Rankin Brandt and the other Directors, the substantial shareholders of the Company or the Company. The Board considers Mr. Yeo Rankin Brandt to be independent for the purposes of Rule 210(5)(d) of the Listing Manual of the SGX-ST.

Detailed information of Mr. Yeo Rankin Brandt can be found under the section entitled "**Additional Information on Directors Seeking Re-election/ Appointment**" in the Company's Annual Report.

(v) Ordinary Resolution 7, if passed, will empower the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue new shares and to make or grant instruments convertible into shares in the Company subject to the limits imposed by the Resolution, for such purposes as they consider would be in the interests of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

(vi) Ordinary Resolution 8, if passed, will authorise the Directors of the Company to allot and issue such number of new ordinary shares in the capital of the Company as may be required to be issued pursuant to the Tai Sin Electric Limited Scrip Dividend Scheme principally to shareholders of the Company who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend. This authority, unless revoked or varied at a general meeting, will continue until the conclusion of the next Annual General Meeting of the Company.

* *The Company will update shareholders on changes to the composition of the Board and Board Committees, via publication of announcement(s) on SGXNet, after the above Meeting.*

NOTICE OF
ANNUAL GENERAL MEETING

Important Notes:

(A) The Annual General Meeting ("**AGM**") is being convened, and will be held physically, at Raffles Marina, Theatrette, Level 2, 10 Tuas West Drive, Singapore 638404 on Tuesday, 29 October 2024 at 10.00 a.m.. **There will be no option for shareholders to attend the AGM virtually**.

(B) The Annual Report for the financial year ended 30 June 2024 (which includes the Notice of AGM and Proxy Form) ("**Annual Report**") can be accessed from SGXNet at the URL https://www.sgx.com/securities/company-announcements ("**SGXNet**") and the Company's website at the URL https://www.taisinelectric.com/agm ("**Company's AGM website**"). Printed copies of the Annual Report will also be sent by post to members of the Company ("**Members" or "Shareholders**").

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

(D) (i) 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 appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Member's instrument appointing a proxy or proxies ("**Proxy Form**").

(ii) 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 Member's Proxy Form.

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

(iv) A Member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

(E) A proxy need not be a Member. The Chairman of the Meeting, as proxy, need not be a Member.

(F) The Proxy Form, duly completed and signed, must be submitted to the Company no later than **10.00 a.m. on 27 October 2024**, being not less than 48 hours before the time appointed for holding the AGM, in the following manner:

(i) if submitted personally or by post, be lodged at the registered office of the Company at 24 Gul Crescent, Singapore 629531; or

(ii) if submitted electronically, a scanned PDF copy be sent via email to the Company at agm@taisin.com.sg,

failing which the Proxy Form may be treated as invalid.

A Shareholder who wishes to submit a Proxy Form can either use the printed copy of the Proxy Form in the Annual Report which was sent to him/her/it by post or download a copy of the Proxy Form from the Company's AGM website or SGXNet.

A Proxy Form must be executed under the hand of the appointor or of his/her/its attorney duly authorised in writing. If the appointor is a corporation, the Proxy Form must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

(G) Completion and return of the Proxy Form by a Member will not preclude him/her from attending, speaking and voting at the AGM (or at any adjournment thereof) if he/she subsequently wishes to do so. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the Member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant Proxy Form to the AGM.

(H) CPF/SRS investors who hold the Company's shares through CPF Agent Banks/SRS Operators:

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

(ii) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, and in which case they should approach their CPF Agent Banks/SRS Operators to submit their votes by **10.00 a.m. on 18 October 2024**, being at least seven (7) working days before the date of the AGM.

(I) Investors who hold the Company's shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), other than CPF/SRS investors, and who wish to attend/vote at the AGM should approach their relevant intermediaries as soon as possible in order for the necessary arrangements to be made to attend the AGM and/or submit their votes.

NOTICE OF ANNUAL GENERAL MEETING

(J) Submission of questions

Shareholders or their appointed proxies (other than Chairman of the Meeting) may speak and raise questions at the AGM.

Shareholders, including investors holding shares through relevant intermediaries and CPF/SRS investors, may also submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM, in the following manner:

(i) via email to agm@taisin.com.sg; or

(ii) by post and be deposited at the registered office of the Company at 24 Gul Crescent, Singapore 629531.

Shareholders who are submitting questions must provide the following information: (a) the Shareholder's full name; (b) the Shareholder's identification/registration number; and (c) the manner in which the Shareholder holds the share(s) in the Company (e.g. via CDP, scrip, CPF or SRS), for verification purposes, failing which the submission will be treated as invalid.

All questions submitted in advance of the AGM must be received by **5.00 p.m. on 18 October 2024** (the "**Submission Deadline**").

The Company will endeavour to respond to all substantial and relevant questions received from Shareholders (including investors holding shares through relevant intermediaries and CPF/SRS investors) by the Submission Deadline by publishing its responses to such questions on SGXNet and on the Company's AGM website by 24 October 2024. Substantially similar questions received will be consolidated and consequently, not all questions may be individually addressed.

Personal Data Privacy:

By (a) submitting an instrument appointing the Chairman of the Meeting or any other persons as proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting any question prior to the AGM in accordance with this Notice of AGM, a Member (i) consents to the collection, use and disclosure of the Member's personal data by the Company (or its agents or service providers) for the purpose of processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof), preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof) and addressing substantial and relevant questions related to the resolutions to be tabled for approval at the AGM received from Members before the AGM and/or at the AGM and if necessary, following up with the relevant Members in relation to such questions, and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities (collectively, the "**Purposes**"), (ii) warrants that where the Member discloses the personal data of the Member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the Member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Member's breach of warranty. In addition, by attending the AGM and/or any adjournment thereof, a Member consents to the collection, use and disclosure of the Member's personal data by the Company (or its agents or service providers) for any of the Purposes.

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION/ APPOINTMENT**

Name	**Mr. Renny Yeo Ah Kiang**	**Mr. Yeo Rankin Brandt**
Date of appointment	1 July 2018	Mr. Yeo Rankin Brandt is seeking appointment as a Director of the Company, pursuant to Article 97 of the Constitution of the Company, at the Company's Annual General Meeting to be held on 29 October 2024 ("2024 AGM")
Date of last re-election/~~re-appointment~~ (if applicable)	31 October 2022	Not Applicable
Age	74	58
Country of principal residence	Singapore	Singapore
The Board's comments on this re-election/appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualifications, experience, expertise, knowledge, skills, performance, contribution and independence of Mr. Renny Yeo Ah Kiang. His requisite experience and capabilities in the cable and wire industry and other businesses strengthen the competencies and enhance the Board's collective skills and experience as a whole. In addition, the Board is of the view that there is sufficient diversity in skills, experience and knowledge of the Company in its current Board composition to maximise effectiveness in the oversight of the Group's business and operations. The Board has reviewed and concluded that Mr. Renny Yeo Ah Kiang is well qualified and suitable for re-election as a Director of the Company. If Mr. Renny Yeo Ah Kiang is re-elected a Director of the Company at the 2024 AGM, he will, with effect from 30 October 2024, be appointed as Lead Independent Director and Chairman of the Audit and Risk Committee and ceased to be Chairman of the Nominating Committee, and shall remain as a member of the Nominating Committee and Remuneration Committee.	The Board, as part of succession planning and Board renewal, and having considered the recommendation of the Nominating Committee and independence of Mr. Yeo Rankin Brandt and assessed the qualifications, expertise, experience and suitability of Mr. Yeo Rankin Brandt, proposed the appointment of Mr. Yeo Rankin Brandt as Independent Non-Executive Director of the Company for approval by shareholders at the 2024 AGM, pursuant to Article 97 of the Constitution of the Company. Mr. Yeo was with Deloitte for over 30 years, of which he spent more than 20 years as an audit partner. The Board is of the view that Mr. Yeo Rankin Brandt has the requisite capabilities to assume the duties and responsibilities as an Independent Non-Executive Director of the Company and the appointment of Mr. Yeo Rankin Brandt as Director will strengthen the Board's capability and contribute towards the core competencies, skills and diversity of the present Board. If Mr. Yeo Rankin Brandt is appointed a Director of the Company at the 2024 AGM, he will, with effect from 30 October 2024, be appointed Chairman of the Remuneration Committee and a member of the Nominating Committee.

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION/ APPOINTMENT**

Name	Mr. Renny Yeo Ah Kiang	Mr. Yeo Rankin Brandt
Whether appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Independent Non-Executive Director • Chairman of the Nominating Committee • Member of the Audit and Risk Committee • Member of the Remuneration Committee	As stated above
Professional qualifications	Refer to section on Board of Directors of this Annual Report for details	• Bachelor in Business Administration - Accounting (with Honours) • Chartered Accountant / Public Accountant - Singapore (2001 to 2023) • Certified Public Accountant - United States (Inactive) (1991 to present)
Working experience and occupation(s) during the past 10 years	• Retired from full-time employment in 2010. Mr. Renny Yeo Ah Kiang was previously the Executive Chairman of a group of companies involved in manufacturing and sale of electrical cables	Partner, Deloitte & Touche LLP (1 July 2001 to 31 May 2023)
Shareholding interest in the listed issuer and its subsidiaries	None	None

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION/ APPOINTMENT**

Name	Mr. Renny Yeo Ah Kiang	Mr. Yeo Rankin Brandt
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	Mr. Yeo Rankin Brandt was an audit partner of Deloitte & Touche LLP ("Deloitte"), the external auditors of the Company and all the subsidiaries of the Company (the Company together with its subsidiaries, referred to as the "Group") incorporated in Singapore, and he was the audit partner in charge of the Group's audit for the financial years ended 30 June 2018 to 30 June 2022. Mr. Yeo Rankin Brandt has retired from Deloitte on 31 May 2023 and has not been the audit partner in charge of the Group's audit since 1 July 2022. As an audit partner, Mr. Yeo Rankin Brandt had previously held less than 5% interest in Deloitte. For each of the last 3 financial years including the financial year ended 30 June 2024 ("FY2024"), the aggregate audit fees paid to Deloitte as external auditors of the Company and the Group's subsidiaries incorporated in Singapore were S$342,000 for the financial year ended 30 June 2022 ("FY2022"), S$405,000 for the financial year ended 30 June 2023 ("FY2023") and S$476,000 for FY2024. The audit fees received by Deloitte for Tai Sin group are not material or significant in the context of Deloitte for each of FY2022, FY2023 and FY2024. After assessment, the Nominating Committee has determined that the above relationship will not interfere with Mr. Yeo Rankin Brandt's exercise of his independent business judgement in the best interests of the Company. The Board concurred with the Nominating Committee's view and considers Mr. Yeo Rankin Brandt to be independent.

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION/ APPOINTMENT**

Name	**Mr. Renny Yeo Ah Kiang**	**Mr. Yeo Rankin Brandt**
Conflict of interest (including any competing business)	None	None
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 720(1))	Yes	Yes
Other principal commitments including directorships - Past (for the last five years)	• OEL (Holdings) Limited • Sin Heng Heavy Machinery Limited • Hydroball Technics (SEA) Pte Ltd • Emeritus President, Singapore Manufacturing Federation • Chairman, Singapore Accreditation Council (Enterprise Singapore) • Board Member, Enterprise Singapore • Member, School Advisory Committee - Greenridge Secondary School • Biosanapharma BV – The Netherlands • Kamyak Pte Ltd (struck-off)	• Automobile Association of Singapore, General Committee Member, Treasurer
Other principal commitments including directorships – Present	• Bonanza Venture Holdings Sdn Bhd - Malaysia • Hydroball Technics Holdings Pte Ltd • Kay Lim Holdings Sdn Bhd - Malaysia • KayLim Resources Berhad (formerly known as KayLim Philanthropic Resources Berhad) - Malaysia • Kinta Properties Holdings Sdn Bhd – Malaysia • Masquad Pte Ltd • Nubio Invest Pte Ltd • Passat Commercial Pte Ltd • Wraek Pte Ltd (in the process of striking off) • Zicom Group Limited - Australia • Zicom Holdings Pte Ltd	• Automobile Association of Singapore, General Committee Member

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION/ APPOINTMENT**

Name		Mr. Renny Yeo Ah Kiang	Mr. Yeo Rankin Brandt
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c)	Whether there is any unsatisfied judgment against him?	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION/ APPOINTMENT

Name		Mr. Renny Yeo Ah Kiang	Mr. Yeo Rankin Brandt
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION/ APPOINTMENT

Name	Mr. Renny Yeo Ah Kiang	Mr. Yeo Rankin Brandt
(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 ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION/ APPOINTMENT

Name	Mr. Renny Yeo Ah Kiang	Mr. Yeo Rankin Brandt
(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
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of an issuer listed on the Exchange?	Not Applicable	No
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	Not Applicable	The Company will arrange for Mr. Yeo Rankin Brandt to attend relevant training on the roles and responsibilities of a director of a company listed on the Exchange, as prescribed by the Exchange.

TAI SIN ELECTRIC LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 198000057W)

IMPORTANT:
1. A relevant intermediary (as defined in Section 181 of the Companies Act 1967) is entitled to appoint more than two (2) proxies to attend, speak and vote at the Annual General Meeting ("**AGM**").
2. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by investors holding shares through relevant intermediaries (including CPF/SRS investors). CPF/SRS investors:
   (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies; or
   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, and in which case they should approach their CPF Agent Banks/SRS Operators to submit their votes by **10.00 a.m. on 18 October 2024**, being at least seven (7) working days before the date of the AGM.

ANNUAL GENERAL MEETING

PROXY FORM

(Please read notes overleaf before completing this form)

I/We, ________________________ (Name) ______________________ (NRIC / Passport / Company Registration No.)

of ____ (Address)

being a Member/Members of **TAI SIN ELECTRIC LIMITED** (the "**Company**") hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of shareholdings represented	
			No. of Shares	%

and/or (delete as appropriate)

or failing him/her, the Chairman of the Meeting, as my/our proxy/proxies, to attend, speak and vote for me/us on my/our behalf, at the Annual General Meeting ("**AGM**" or the "**Meeting**") of the Company to be held at Raffles Marina, Theatrette, Level 2, 10 Tuas West Drive, Singapore 638404 on Tuesday, 29 October 2024 at 10.00 a.m. 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 Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

(Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes "For" or "Against", or "Abstain" from voting on, the relevant resolution, please tick [✓] within the relevant box provided below. Alternatively, if you wish your proxy/proxies to cast your votes both "For" and "Against" the relevant resolution, please indicate the number of shares in the relevant boxes provided below.)

No.	Resolutions relating to:	Number of Votes For	Number of Votes Against	Abstain
Ordinary Business				
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2024 and the Auditors' Report thereon			
2	Payment of proposed final dividend			
3	Approval of Directors' fees of up to S$274,419 for the financial year ending 30 June 2025, to be paid quarterly in arrears at the end of each calendar quarter			
4	Re-election of Mr. Renny Yeo Ah Kiang as a Director			
5	Approval of the appointment of Mr. Yeo Rankin Brandt as a Director			
6	Re-appointment of Deloitte & Touche LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration			
Special Business				
7	Authority to issue new shares and/or convertible instruments			
8	Authority to allot and issue new shares pursuant to the Tai Sin Electric Limited Scrip Dividend Scheme			

Dated this ________ day of__________ 2024

Total Number of Shares held

____

Signature or Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of 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), you should insert that number of shares. If you have shares registered in your name in the Register of Members, 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 instrument appointing a proxy or proxies ("**Proxy Form**") will be deemed to relate to all the shares held by you.

2. (a) 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 appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form.

   (b) 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 Proxy Form.

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

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

4. A proxy need not be a member of the Company. The Chairman of the Meeting, as proxy, need not be a member of the Company.

5. The Proxy Form, duly completed and signed, must be submitted to the Company no later than **10.00 a.m. on 27 October 2024**, being not less than 48 hours before the time appointed for holding the AGM, in the following manner:

   (i) if submitted personally or by post, be lodged at the registered office of the Company at 24 Gul Crescent, Singapore 629531; or

   (ii) if submitted electronically, a scanned PDF copy be sent via email to the Company at agm@taisin.com.sg,

   failing which the Proxy Form may be treated as invalid.

6. The Proxy Form must be executed under the hand of the appointor or of his/her/its attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

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

9. Any alterations made in this Proxy Form should be initialled by the member/person signing it.

10. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible, or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the Proxy Form (including any related attachment). In addition, in the case of members whose shares are entered in the Depository Register, the Company may reject any Proxy Form lodged or submitted if the member, being the appointer, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time set for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

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

Personal data privacy

By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 October 2024.

CORPORATE DIRECTORY

CORPORATE HEADQUARTERS
Tai Sin Electric Limited
24 Gul Crescent Singapore 629531
Tel: (+65) 6672 9292
Fax: (+65) 6861 4084
Email: ir@taisin.com.sg
Website: www.taisinelectric.com

SINGAPORE
Tai Sin Electric Limited
24 Gul Crescent Singapore 629531
Tel: (+65) 6672 9292
Fax: (+65) 6861 4084
Email: sales@taisin.com.sg
Website: www.taisin.com.sg

Lim Kim Hai Electric Co (S) Pte Ltd
Lim Kim Hai Building
53 Kallang Place, Singapore 339177
Tel: (+65) 6292 3711 / 6490 5000
Fax: (+65) 6297 0078
Email: customerservice@limkimhai.com.sg
Website: www.limkimhai.com.sg

LKH Precicon Pte Ltd
63 Hillview Avenue, #10-21
Lam Soon Industrial Building
Singapore 669569
Tel: (+65) 6672 9229
Fax: (+65) 6897 8890
Email: sales@precicon.com.sg
Website: www.precicon.com.sg

LKH Projects Distribution Pte Ltd
Lim Kim Hai Building
53 Kallang Place, 4th Storey
Singapore 339177
Tel: (+65) 6897 7078
Fax: (+65) 6897 7079
Email: enquiries@lkhpd.com.sg
Website: www.lkhpd.com.sg

Tai Sin Power Distribution Pte Ltd
27 Gul Avenue, Singapore 629667
Tel: (+65) 6897 7078
Fax: (+65) 6897 7079
Website: www.tspd.com.sg

ElectGo Pte Ltd
63 Hillview Avenue, #10-21
Lam Soon Industrial Building
Singapore 669569
Tel: (+65) 6672 9229
Fax: (+65) 6897 8890
Email: customercare@electgo.com
Website: www.electgo.com

CAST Laboratories Pte Ltd
Head Office
17 Tuas Avenue 8 Singapore 639232
Tel: (+65) 6801 6000
Fax: (+65) 6801 6004
Email: cast@castlab.com.sg
Website: www.castlab.com.sg

MALAYSIA
Tai Sin Electric Cables (Malaysia) Sdn Bhd
Head Office – Senai
PTD 37433, 37434 and 37444
Off Jalan Perindustrian Senai 3
Kawasan Perindustrian Senai Fasa 2
81400 Senai
Johor Darul Takzim, Malaysia
Tel: (+60) 7 599 8888
Fax: (+60) 7 599 8898
Email: sales@taisin.com.my
Website: www.taisin.com.my

Branch Office – Shah Alam
No 4 Jalan Paku 16/6
Seksyen 16, 40200 Shah Alam
Selangor Darul Ehsan, Malaysia
Tel: (+60) 3 5523 8315 / 3 5523 8314
Fax: (+60) 03 5512 1885

Branch Office – Kuching
SL 1417 & 1418, Block 12
Jalan Setia Raja
Muara Tabuan Light Industrial Park
93350 Kuching
Sarawak, Malaysia
Tel: (+60) 82 368 408 / 82 368 409
Fax: (+60) 82 368 407

Nishi Densen Sdn Bhd
17, Jalan Paku 16/6
Section 16, Shah Alam
40200 Selangor
Malaysia
Tel : (+60) 3 5512 2091 / 3 5512 3092
Fax: (+60) 3 5512 1885
Email: info@densen.com.my
Website: www.densen.com.my

LKH Electric (M) Sdn Bhd
PTD 37433 & 37434
Off Jalan Perindustrian, 3
Kawasan Perindustrian Senai Fasa 2,
81400 Senai,
Johor, Malaysia
Tel: (+60) 3 5870 3368
Email: sales@limkimhai.com.my
Website: www.limkimhai.com.my

CASTconsult Sdn Bhd
Head Office
PTD 42928, Jalan Murni 12
Taman Perindustrian Murni
81400 Senai,
Johor, Malaysia
Tel: (+60) 7595 5767/ 7598 9767 / 7599 8767
Fax: (+60) 7 598 8767
Email: cast@castlab.com.my
Website: www.castlab.com.my

Branch Office – Pahang (Kuantan)
No. B2, Lorong Seberang Balok Jaya 1,
Perumahan Seberang Balok Jaya
26100 Kuantan,
Pahang, Malaysia

Branch Office – Pengerang
GF, Lot 6005, No 18 Jalan Murai 1
Presint Gunung Pulai
Bukit Pelali
81600 Pengerang
Johor, Malaysia

Branch Office – Melaka
9 Jalan TTC 34
Taman Perindustrian Teknologi Cheng
75260 Cheng,
Melaka, Malaysia
Tel: (+60) 6 332 9129

Branch Office - Pasir Gudang
No.43, Jalan Selar 1,
Taman Pasir Putih,
81700 Pasir Gudang,
Johor, Malaysia

Branch Office - Penang
No.84-GF, Block J
Persiaran Bayan Indah
Bayan Bay, Sg Nibong
11900 Penang, Malaysia

Branch Office – Kuching, Sarawak
GF, No.155, Lot 2616
Section 66, KTLD, Jalan Merbau
93450 Kuching
Sarawak, Malaysia

Branch Office – Bintulu, Sarawak
Unit 16, Lot 2563,
Block 20 Kemena Land District
Kidurong Industrial Park
97000 Bintulu
Sarawak, Malaysia

VIETNAM
Tai Sin Electric Cables (VN) Co Ltd
No. 20, VSIP II Street 2
Vietnam-Singapore Industrial Park 2
Hoa Phu Ward, Thu Dau Mot City
Binh Duong Province, Vietnam
Tel: (+84) 274 3635 088
Fax: (+84) 274 3635 077
Email: sales@taisin.com.vn
Website: www.taisin.com.vn

Lim Kim Hai Electric (VN) Co Ltd
Head Office – Ho Chi Minh City
78 Hoa Cuc Street
Ward 7, Phu Nhuan District
Ho Chi Minh City, Vietnam
Tel: (+84) 28 3517 1717
Fax: (+84) 28 3517 1818
Email: lkhvn@limkimhai.com
Website: www.limkimhai.com.vn

Representative Office – Da Nang City
7th Floor, ACB Building
218 Bach Dang Street
Hai Chau District
Da Nang City, Vietnam
Tel: (+84) 236 365 6871
Fax: (+84) 236 365 6872

Representative Office – Ha Noi
71 Chua Lang Street
Dong Da District
Ha Noi, Vietnam
Tel: (+84) 24 3943 4333
Fax: (+84) 24 3943 4222

BRUNEI
PKS Sdn Bhd
Lot B, Kawasan Perindustrian Beribi 1
Jalan Gadong BE 1118
Bandar Seri Begawan
Negara Brunei Darussalam
Tel: (+673) 2 421 348 / 2 421 349
Fax: (+673) 2 421 347

INDONESIA
PT CAST Laboratories Indonesia
Central Sukajadi
Block B1 No. 3A-5
Batam 29432
Indonesia
Tel: (+62) 778 736 7502
Email: cast@castlab.co.id
Website: www.castlab.co.id

CAMBODIA
CAST Laboratories (Cambodia) Co., Ltd.
Building No. 400
Phnom Penh Hanoi Friendship Blvd (1019)
Trapeang Svay Village, Sangkat Kork Kleang
Khan SenSok
Phnom Penh, Cambodia
Tel (+855) 93 888 213
Email: hello.becl@becl.com.kh
Website: www.becl.com.kh

Tai Sin®

Tai Sin Electric Limited

24 Gul Crescent
Singapore 629531
Tel: (+65) 6672 9292
Fax: (+65) 6861 4084
Email: ir@taisin.com.sg
Website: www.taisinelectric.com

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