



COMMITTED TO  
**SUSTAINABLE GROWTH**

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ANNUAL  
REPORT **2024**

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This annual report has been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**Exchange**") and the Exchange assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Ms. Charmian Lim (Tel: (65) 6232 3210), at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.

# **MISSION STATEMENT**

Our mission statement applies regardless of business units.

We strive to achieve our mission by adhering to our core values of commitment, integrity and professionalism – factors necessary for success and the attainment of excellence.



# CEO'S MESSAGE

## DEAR SHAREHOLDERS,

On behalf of the Board of Directors, we are pleased to present our annual report for the financial year ended 31 December 2024 ("FY2024").

FY2024 remained a challenging year for the construction industry as global economic recovery was curtailed by inflation levels and ongoing geopolitical conflicts. Koyo International Limited (the "Company", and together with its subsidiaries, the "Group") strived to overcome both manpower and operational challenges faced by the Group and recorded a net profit of \$58,000 for FY2024.

## FINANCIAL REVIEW

Total revenue for FY2024 was \$47.3 million, a 22.5% decrease as compared to that for the financial year ended 31 December 2023 ("FY2023"). Net profit was \$58,000, as compared to FY2023 net profit of \$1.5 million. The decrease in total revenue was mainly due to completion of some projects from the mechanical engineering segment. The decrease in cost of sales of 18.8% was in line with the decrease in revenue.

Administrative expenses decreased by \$0.4 million mainly due to a decrease in medical fee, professional fee and rental of workers' quarters as a result of reduction in manpower.

The allowance for expected credit losses decreased as all amounts owed by the main contractor who went into liquidation in year 2023 had been fully provided for in FY2023.

Other operating expenses decreased to \$0.4 million in FY2024, as compared to FY2023 of \$0.5 million, resulting from the decrease in outsourced supporting services and repair and maintenance expenses. Finance expenses increased mainly due to an incurred interest from loan borrowings and trade finance interest.

## DIVIDEND

No dividend has been recommended for FY2024 in order to conserve the Group's cash resources for its projects.

## SHARE BUYBACK MANDATE AND EMPLOYEE SHARE OPTION SCHEME

The Company did not purchase any of its own shares during FY2024.

The Koyo International Share Option Scheme 2011 had expired on 25 April 2021 and no new scheme was adopted by the Company.

## CORPORATE DEVELOPMENTS

The Management continues to exercise prudence when tendering for new contracts. To date, the Group has contracts on hand that are collectively valued at approximately \$193.7 million. These are multi-year contracts with completion dates ranging from financial years 2025 to 2029. In addition to the already secured contracts, the Group will also regularly tender for new projects and follow up on opportunities.

However, given the challenging economic environment in the construction sector and the inflation pressure, the Group will remain cautious in securing its projects going forward.

## CEO'S MESSAGE

### BOARD CHANGES

The Board is pleased to welcome Ms Elaine Soong Siew Kim who was appointed as Independent Non-Executive Director on 2 July 2024. With Ms Soong's extensive experience in the construction industry as a professional engineer, we look forward to her contributing to a diversified perspective to the Group's business and further enhance the Board's effectiveness.

Mr. Wong Loke Tan, our Independent Non-Executive Chairman will be retiring at the conclusion of the forthcoming AGM. The Board would like to extend our deepest appreciation to Mr. Wong and his contributions to the Group since he joined the Board in August 2016.

### OUTLOOK

The Group believes that the outlook for the construction sector will continue to remain challenging for 2025 in view of the uncertainties in the external global environment and inflationary pressure in Singapore. All of these places pressures on project margins.

Nevertheless, despite the strong headwinds, we believe that our proven track record and reputation, sound financial position, experienced professional management team, and secured pipeline of projects, will allow the Group to be well-positioned to ride out these difficulties.

### APPRECIATION

Once again, we would like to express our appreciation and thanks to the members of the Board for their continuous guidance and invaluable contributions.

Lastly, we would also like to thank our valued shareholders, customers, suppliers and sub-contractors for their continued loyalty and support. Our heartfelt appreciation also goes to management and all staff for their commitment to the Group.

### *FOO SUAY WEI*

Managing Director and Chief Executive Officer

09 April 2025

## BUSINESS OVERVIEW

Koyo International Limited (the “Company” or “Koyo”) has been listed on the Catalist of the SGX-ST since 2009 (the “Listing”). Since our Listing, Koyo is always actively reviewing its businesses in search of new opportunities and markets with the aim of focusing on high value products and services with long term potential to complement its growth. Currently, the principal activities of Koyo and its subsidiaries (collectively, the “Koyo Group” or the “Group”) is principally focused on the provision of mechanical and electrical (“M&E”) engineering services.

### (A) PROVISION OF MECHANICAL AND ELECTRICAL ENGINEERING SERVICES

Koyo offers a total M&E solutions package which involves design, integration, build, implementation, test, commission and maintenance for our customers. This includes (i) designing and installing air conditioning and mechanical ventilation systems as well as fire protection systems under our Mechanical Engineering segment; (ii) designing and installing high and low-voltage electrical distribution systems under our Electrical Engineering segment; and (iii) provision of maintenance, repair and replacement services for commercial buildings, hotels, schools and libraries in Singapore under our Facilities Management segment. Our engineering designs and installation work are applicable to clients in the construction, marine, oil and gas, industrial and pharmaceutical industries.

The Group also has since its Listing, explored entry into the following businesses as an expansion of its income stream and to diversify risk:

### (B) PROPERTY DEVELOPMENT

In 2014, Koyo obtained shareholders’ approval for expanding its business to include property development and construction, property management and property investment in order to expand its geographical scope to include countries outside of Singapore and participate in the growth prospects of the property industries in those countries.

### (C) SUPPLY OF CONSTRUCTION MATERIALS

In 2015, shareholders’ approval was obtained for the diversification of the Group’s business to include, *inter alia*, the business of supply of construction materials which includes the procurement, supply and importation of essential construction materials such as construction sand, armour rock, granite and other aggregates. As part of the business of supplying construction materials, Koyo had also obtained the mandate from shareholders to engage in the ownership, acquisition and operation of mines and concession to produce and process construction materials, including but not limited to sand and granite.

### (D) BUSINESS OF INVESTMENTS

In 2021, the Group has obtained shareholders’ approval for expanding its business to include the business of investments (including but not limited to purchase, acquisition, disposal or such other dealings) by the Group into:

- (i) any investment funds, portfolio companies, instruments or products offered and/or managed by asset and/or fund management companies licensed or regulated in Singapore or overseas;
- (ii) any investments in securities of companies with growth potential which may include equity, convertible securities and instruments such as bonds, notes or funds;
- (iii) any long-term investments (including but not limited to stocks and index funds);
- (iv) any short-term investments (including but not limited to money market funds, certificates of deposit and short-term bonds); and/or
- (v) any other alternative investments;

# BUSINESS OVERVIEW

A summary of Koyo's products and services is as follows:

## A. M&E SERVICES

### 1) INTEGRATED M&E ENGINEERING

- Air-conditioning and Mechanical Ventilation
- Plumbing and Sanitary Installation
- Fire Prevention and Protection System
- Integrated Monitoring and Control Systems
- High Tension Electrical Distribution Systems
- Low Tension Electrical Distribution Systems
- Communications and Security Systems
- Facility Management

### 2) INDUSTRIAL ENGINEERING

#### ■ Design, Integration and Implementation of:

- Waste Treatment Plant
- Dust Collector (Environmental Control) System
- Mechanical Handling System (incl. Container Cranes)
- Production Conveyors
- Industrial Machines and Pipe Work
- Cleanroom (Class 10 – 100,000)
- Energy Saving Systems
- Environmental Management Systems

## B. RENEWABLE ENERGY AND GREEN PRODUCTS

### 1) SOLAR WATER HEATING

- Solar Heat Collector Arrays
- Pressurised/Non-pressurised Hot Water Storage Tanks
- High-temperature Heat Pumps

### 2) NON-CHEMICAL WATER TREATMENT SYSTEM

- Electrostatic Water Treatment

### 3) THERMAL ENERGY

- Phase Change Materials

### 4) DEHUMIDIFICATION AND AIR-CONDITIONING

- Liquid Desiccant System
- Regenerator
- Conditioner
- Degassing System with Pneumatic Expansion Tank
- Condensate Water Collection System

## PERFORMANCE REVIEW

### REVENUE

Koyo recorded a revenue of approximately S\$47.3 million for the financial year ended 31 December 2024 (“FY2024”), a 22.5% decrease from the financial year ended 31 December 2023 (“FY2023”), mainly due to the decrease in revenue from the mechanical engineering segment. No revenue was derived from the electrical engineering segment during the financial year. Revenue from the facilities management segment decreased mainly due to projects approaching completion.

### GROSS PROFIT

Gross profit decreased to approximately S\$9.9 million in FY2024 as compared to FY2023, mainly due to a decrease in gross profit contributed by the mechanical engineering and the facilities management segments. There is a net gain on disposal of investment securities of \$48,000 in FY2024.

### GROSS PROFIT MARGIN

Koyo’s gross profit margin decreased from 24.5% in FY2023 to approximately 20.9% in FY2024. The gross profit margin for mechanical engineering is lower as a result of market inflation, including increase in foreign worker levy. The gross profit margin for facilities management segment increased slightly mainly due to better margins for variation works carried out during the year.

### PROFIT BEFORE INCOME TAX

The Group recorded a pre-tax profit of S\$58,000 in FY2024 as compared to a pre-tax profit of S\$1.5 million for FY2023. This was in line with the decrease in total revenue and an increase in finance expenses for FY2024.

### BALANCE SHEET

The Group recorded cash and bank balances of S\$2.8 million and total assets of S\$46.9 million against total liabilities of S\$27.3 million as at 31 December 2024. Our net asset value per share stood at 10.35 cents as at 31 December 2024, an increase of 1.34 cents from 31 December 2023.

Trade and other receivables decreased by 59.4% to approximately S\$3.3 million as at 31 December 2024 mainly due to a decrease in down payments for subcontractors/suppliers and a decrease in prepaid insurance premiums. The trade receivables turnover days increased slightly from 26 days to 34 days as at the end of FY2024.

Contract assets increased by 55.4% to approximately S\$32.0 million as at 31 December 2024 mainly due to works completed but not yet billed as at 31 December 2024.

Property, plant and equipment (“PPE”) increased by 22.0% to approximately S\$7.6 million as at 31 December 2024, mainly due to addition in PPE, right-of-use assets and a revaluation of leasehold property offset by depreciation expenses on PPE.

Trade and other payables increased by 12.9% to approximately S\$21.0 million as at 31 December 2024 as a result of an increase in the unsecured loan from a Director amounting to S\$3.0 million as per the announcement made on 12 September 2024, offset by a decrease in purchases and services from subcontractors, which was in line with the decreased revenue. The trade payable turnover days decreased slightly from 62 days to 60 days as at the end of FY2024.

Bank borrowing decreased by 20.2% to approximately S\$4.0 million as at 31 December 2024 due to partial repayment of revolving term loan during FY2024. The bank borrowings are secured by a first legal mortgage on the leasehold property of the subsidiary, an assignment of project proceeds, a corporate guarantee provided by the Company and a charge on fixed deposit.

Contract liabilities decreased to nil as a result of reclassification of service performed to revenue.

Provisions amounting to S\$1.15 million were recorded due to the provision for liabilities on project yet to complete.

Lease liabilities decreased by 33.0% to approximately S\$1.1 million as at 31 December 2024 due to the repayment of leases during FY2024 and re-measurement of lease.



## FIVE-YEAR FINANCIAL SUMMARY

	2024 S\$'000	2023 S\$'000	2022 S\$'000	2021 S\$'000	2020 S\$'000
<b>Consolidated Profit or Loss Statement</b>					
Revenue	47,287	60,980	38,701	28,043	17,709
Profit/(loss) before income tax	58	1,536	(6,025)	(998)	1,306
Profit/(loss) attributable to equity holders of the Company	58	1,539	(6,187)	(903)	1,269
<b>Consolidated Statement of Financial Position</b>					
Property, plant and equipment	7,607	6,237	6,302	7,034	3,940
Cash and bank balances	2,781	9,387	8,897	13,323	17,763
Other assets	36,538	30,646	22,261	11,465	7,582
Total assets	46,926	46,270	37,460	31,822	29,285
Lease liabilities	1,103	1,647	1,815	2,081	812
Bank borrowings	4,000	5,013	–	–	–
Loan from a director and a related party	7,487	3,626	–	–	–
Other liabilities	14,691	18,881	20,078	7,985	7,630
Total liabilities	27,281	29,167	21,893	10,066	8,442
<b>Net assets</b>	<b>19,645</b>	<b>17,103</b>	<b>15,567</b>	<b>21,756</b>	<b>20,843</b>
Share capital	4,477	4,477	4,477	4,477	4,477
Treasury shares	(630)	(630)	(630)	(630)	(630)
Other reserves	4,125	1,641	1,644	1,646	(265)
Retained profit	11,673	11,615	10,076	16,263	17,261
<b>Shareholders' equity</b>	<b>19,645</b>	<b>17,103</b>	<b>15,567</b>	<b>21,756</b>	<b>20,843</b>

<b>Ratios</b>					
<b>Profit/(loss) attributable to equity holders of the Company as a percentage of:</b>					
Total revenue	0.12%	2.52%	-16.0%	-3.22%	7.17%
Average shareholders' equity (Note 1)	0.32%	9.42%	-33.15%	-4.24%	6.25%
<b>Per share:</b>					
Profit/(loss) attributable to the equity holders of the Company (Note 2)	0.03¢	0.81¢	-3.26¢	-0.48¢	0.67¢
Net asset value of the Group (Note 3)	10.35¢	9.01¢	8.20¢	11.46¢	10.98¢
<b>Dividends paid and/or proposed (Note 4)</b>					
Final dividend	–	–	–	–	0.05¢

**Notes:**

- (1) Average shareholders' equity is computed based on the average of shareholders' equity as at the end of the current and previous financial year.
- (2) Earnings per share (basic) is computed based on the weighted average number of ordinary shares outstanding during the year.
- (3) Net asset value per share is computed by dividing the shareholders' equity by the number of ordinary shares in issue at each year end.
- (4) No dividend was recommended for FY2024 for the Group to conserve cash resources for upcoming projects.

# CORPORATE STRUCTURE



# CORPORATE PROFILE



Koyo Group consists of the holding company Koyo International Limited, and its directly wholly owned subsidiaries Koyo Engineering (S.E. Asia) Pte. Ltd. (“**Koyo Engineering**”) and AVSC Technologies Pte. Ltd. (“**AVSC Technologies**”). Its three wholly owned indirect subsidiaries are Koyo M&E Pte. Ltd. (“**Koyo M&E**”), Koyo Engineering M&E Pte. Ltd. (“**KEME**”) and Tuck Hwa Fabrication (S) Pte. Ltd. (“**Tuck Hwa**”). One sole proprietor, Keco Trading is wholly owned by Koyo Engineering M&E Pte. Ltd.. The main operating subsidiary is Koyo Engineering, details of which are provided below. Information on the business of the other subsidiaries can be found in Note 14 of the Audited Financial Statements for FY2024.

## KOYO ENGINEERING

Koyo Engineering is one of the leading home-grown M&E engineering specialist service providers and provides quality service to a wide range of diverse customers. Koyo Engineering has an extensive track record in project management and implementation of M&E services for industrial, commercial and residential buildings which include retrofitting works, alteration & addition works, new installation works, replacement works; design, integration and implementation of industrial engineering services; oil, gas and marine engineering services and facilities management.

By offering a full suite of M&E services, customers can have a vast array of services to choose from. Such services range from integrated, design-and-build, execution and maintenance to facilities management services. Today, Koyo Engineering serves customers from all industries, including those in the construction, marine, oil and gas, industrial and pharmaceutical industries as well as the public sector.

With Building and Construction Authority (“**BCA**”) gradings of L5 for electrical engineering and the highest grading of L6 for (i) air-conditioning, refrigeration & ventilation works; and (ii) integrated building services, Koyo Engineering is able to undertake mechanical and integrated building services work of unlimited value for public projects.

With over 39 years of experience in providing M&E engineering services, Koyo Engineering has been able to establish a reputation and a good track record for itself. Koyo Engineering had been awarded the prestigious SME 500 award in 2009. Today, Koyo Engineering has successfully completed more than 184 projects, which include consulting, design, procurement and fabrication and construction projects.

Koyo Engineering is equipped with all the necessary competitive strengths needed to rank among the best M&E service providers in the region. Koyo Engineering invests in training and constantly upgrades the skills of its workforce to be able to provide quality service to all its customers.



## BOARD MEMBERS

### WONG LOKE TAN INDEPENDENT NON-EXECUTIVE CHAIRMAN

Wong Loke Tan is the Company's Independent Non-Executive Chairman, first appointed to the Board as Independent Non-Executive Director on 12 August 2016. He was subsequently re-designated as the Independent Non-Executive Chairman on 23 February 2017 and was last re-elected on 25 April 2023. He is also the Chairman of the Audit Committee and a member of the Remuneration Committee.

Mr Wong is a senior banker with over 30 years of banking experience in international banks and Singapore's longest established bank, OCBC Bank. His experience and expertise span across syndicated loans, project financing, structured trade financing and mergers and acquisitions.

He is particularly known in the business community for his extensive network and strong rapport with Singapore SMEs. Mr Wong remains active in the SME and corporate business circle.

Mr Wong left banking in June 2016 as a Senior Vice President with Maybank, Singapore. Currently, he sits on the Board of listed companies in Singapore and abroad including Union Steel Holdings Limited, Adventus Holdings Limited, K2 F&B Holdings Limited, International Cement Group Limited and Travelite Holdings Ltd.

Mr Wong is dedicated to contributing to civic organisations such as the Saint Gabriel's School Management Committee. In 2018, he was awarded the Silver Medallion Service Award by the Ministry of Education in recognition of his contribution and service.

Mr Wong holds a Master of Business Administration degree from Brunel University, United Kingdom and an Executive Diploma in Directorship from the Singapore Management University and the Singapore Institute of Directors.

### ONG KAI HOE INDEPENDENT NON-EXECUTIVE DIRECTOR

Ong Kai Hoe was appointed to the Board on 21 July 2022 and was last re-elected on 25 April 2023. He is the Chairman of the Remuneration Committee and also a member of the Audit and Nominating Committees.

Mr Ong has more than 12 years of experience in property development and construction. He is currently Investment Director of HT Capital Pte Ltd, a fund management company overseeing portfolio investments and overseas real estate investments and business development manager of Thye Chuan Engineering Construction Co Pte Ltd and TG Development Pte Ltd. Mr Ong is a Non-Independent and Non-Executive Director of Edition Ltd. He is also a member of Singapore Institute of Directors.

Mr Ong holds a Certificate of completion for Executive Management Programme from Singapore University of Social Sciences and Diploma in Business Information Technology from Singapore Polytechnic.

### FOO SUAY WEI MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Foo Suay Wei has been re-designated as Managing Director/CEO with effect from 19 November 2021. He was appointed as Executive Director on 26 December 2014 and was last re-elected on 25 April 2024. He joined Koyo in August 2013 as Strategy and Business Development Manager and was subsequently appointed as Executive Director in December 2014. He was previously an Assistant Director at the Monetary Authority of Singapore from 2009 to 2012.

Suay Wei is responsible for the Group's strategic direction, planning, development and investment in the long term growth of the business, as well as its overall general management and operations.

Suay Wei was appointed as Managing Director of Koyo Engineering on 28 October 2016.

Suay Wei is a member of the Institute of Singapore Chartered Accountants, a fellow of the Association of Chartered Certified Accountants, a member of the Chartered Alternative Investment Analyst, and the Chartered Financial Analyst Institute. He holds a Bachelor of Engineering degree from the National University of Singapore and a Master of Business Administration degree from the University of Cambridge.

### FOO SUAY LUN EXECUTIVE DIRECTOR

Foo Suay Lun was appointed as Executive Director on 1 June 2018 and was last re-elected on 26 April 2022. He joined Koyo in 2013 as a project manager. He oversees various projects and ensures the smooth operation and completion of such projects.

He is a Member of the Institute of Engineers Singapore. He holds a Bachelor of Engineering Mechanical Degree and Master of Science in Energy and Environment Technology and Economics from City, University of London.

### ELAINE SOONG SIEW KIM INDEPENDENT NON-EXECUTIVE DIRECTOR

Elaine Soong Siew Kim was appointed to the Board on 2 July 2024. She is the Chairman of the Nominating Committee and also a member of the Audit and Remuneration Committees.

Ms Soong has more than 19 years of experience in the construction industry, as well as being a Professional Engineer and a certified Green Mark Accredited Professional. She is the co-founder and director of W2square Consultancy Pte Ltd.

Ms Soong holds a Bachelor of Engineering degree from the National University of Singapore.

## KEY MANAGEMENT TEAM

### DALAT KOSITANON

Corporate Services Director

Dalat Kositanon is the Corporate Services Director of Koyo Group. Her duties are to oversee the administrative and human resource functions. She has been with Koyo since 1994. Dalat holds a Postgraduate Diploma in Education and a Master of Arts degree (Psychology of Education), both from the Institute of Education, University of London.

### GOH HWEI HIONG

Chief Financial Officer

Goh Hwei Hiong is the Chief Financial Officer of Koyo and has been with Koyo since September 2005. She has more than 6 years of experience in auditing and more than 10 years of experience in commercial industries.

Hwei Hiong is a member of the Institute of Singapore Chartered Accountants. She holds a Bachelor degree in Accountancy from the National University of Singapore.

### GOH CHIN HIEW

Operations/Commercial Division Director

Goh Chin Hiew is the Operations/Commercial Director of Koyo and has been with Koyo since February 1999. As the director of the Operations/Commercial Division, her responsibilities cover the tender, procurement, maintenance and quantity surveying departments.

Chin Hiew oversees and involves in tendering, procurement, liaising and coordinating projects for Koyo. She is also the management representative for the Integrated Management System.

Chin Hiew has more than 25 years of experience in the engineering and construction industry. She holds a Diploma in Electrical Engineering from the Ngee Ann Polytechnic of Singapore.

### GOH TECK SOON

Senior M&E Manager

Goh Teck Soon is the Project Manager overseeing major projects undertaken by Koyo. He has more than 40 years of experience in M&E engineering. He has been involved in various commercial and industrial projects including clean room construction in Singapore prior to joining Koyo in 2011. He holds a diploma in Mechanical Engineering from the Singapore Polytechnic.

# CORPORATE GOVERNANCE

Koyo International Limited (the “**Company**”) is committed to maintaining a high standard of corporate governance within the Company and its subsidiaries (the “**Group**”). Good corporate governance establishes and maintains an ethical environment in the Group, which strives to enhance the interests of the shareholders of the Company (“**Shareholders**”).

This Corporate Governance Report (“**CG Report**”) describes the Company’s corporate governance practices that were in place during the financial year ended 31 December 2024 (“**FY2024**”) with reference made to the Code of Corporate Governance 2018 (“**2018 Code**”) and the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Catalist Rules**”).

## BOARD MATTERS

### 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.***

The Board of Directors’ (“**Board**”) principal functions include, among others, supervising the overall management of the business and affairs of the Group and setting the Group’s corporate and strategic policies and direction. The principal duties of the Board include the following:

- Protecting and enhancing long-term value and return to its shareholders;
- Providing leadership and guidance on corporate strategy, business directions, risk management policy and implementation of corporate objectives;
- Reviewing and approving the annual budget, corporate policies, strategies and objectives for the Group;
- Ensuring the effectiveness and integrity of Management;
- Conducting periodic reviews of the Group’s risk management systems and the adequacy and effectiveness of internal controls, including financial, operational, compliance and information controls, and assessing actions needed to address and monitor any areas of concern;
- Approving nominations to the Board and appointment of key management personnel;
- Ensuring the Group’s compliance with all relevant and applicable laws and regulations; and
- Assuming responsibility for the corporate governance of the Group.

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries and take decisions in the interests of the Company. To assist the Board in discharging its responsibilities effectively and efficiently, the Board has delegated certain responsibilities to the three Board committees, namely, the Audit Committee (“**AC**”), the Nominating Committee (“**NC**”) and the Remuneration Committee (“**RC**”) (collectively, “**Board Committees**”), which would make recommendations to the Board. The Board holds the Management of the Company (“**Management**”) accountable for performance. The Board Committees operate within clearly defined terms of reference. The terms of reference of the Board Committees are reviewed on a regular basis to ensure their continued relevance. The Board meets 4 times a year to oversee the business affairs of the Group. The Board is free to seek clarification and information from Management on all matters within their purview.

## CORPORATE GOVERNANCE

Directors facing conflicts of interest recuse themselves from meeting discussions and decisions involving the issues of conflict.

Ad-hoc meetings are convened at such other times as may be necessary to address any specific significant matters that may arise. Important matters concerning the Group are also put to the Board for its decision by way of written resolutions. Meetings via telephone or video conference are permitted by the Company's Constitution.

Details of the attendance of the Board members at the meetings of the Board and Board Committees for FY2024 are as follows:

	<b>Board</b>	<b>Audit Committee</b>	<b>Nominating Committee</b>	<b>Remuneration Committee</b>	<b>Annual General Meeting</b>	<b>Extraordinary General Meeting</b>
No. of meetings held	4	3	1	1	1	1
<b>Name of Directors</b>	<b>No. of Meetings attended</b>					
Wong Loke Tan	4	3	1*	1	1	1
Yeo Guat Kwang**	1	1	1	1	1	N/A
Foo Suay Wei	4	3*	1	1*	1	1
Foo Suay Lun	4	3*	1*	1*	1	1
Ong Kai Hoe	4	3	1	1	1	1
Elaine Soong Siew Kim***	2	2	–	–	–	1

\* By invitation

\*\* Retired at the conclusion of the AGM held on 25 April 2024, N/A denotes not applicable

\*\*\*Appointed on 2 July 2024

Matters that are specifically reserved for the Board's approval include:

1. Reviewing the composition of the Board annually;
2. Reviewing Board succession plans for Directors, in particular the Managing Director/Chief Executive Officer ("CEO");
3. Corporate strategy and business plans;
4. Capital expenditures;
5. Capital borrowings and financial commitments;
6. Material interested person transactions;
7. Major funding proposals, investments, acquisitions and divestments;
8. Budgets, financial results announcement, annual report and audited financial statements;

## CORPORATE GOVERNANCE

9. Internal controls and risk management strategies and execution;
10. Appointment of Directors and key management personnel;
11. Convening of shareholders' meetings; and
12. Declaration of interim dividends and proposal of final dividends.

To ensure Directors can fulfill their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continual professional development during the term of their appointment. Professional development may relate to a particular subject area, committee membership, or key developments in the Company's environment, market or operations which may be provided by accredited training providers such as the Singapore Institute of Directors. All Directors also have attended the prescribed sustainability training course to equip themselves with basic knowledge on sustainability matters.

The Directors are also updated regularly with changes to the Catalist Rules, risk management, corporate governance, insider trading and the key changes in the relevant regulatory requirements and financial reporting standards and the relevant laws and regulations to facilitate effective discharge of their fiduciary duties as Board or Board Committees members.

New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("**ACRA**") which are relevant to the Directors are circulated to the Board. The Company Secretary informs the Directors of upcoming conferences and seminars relevant to their roles as Directors of the Company. Annually, the external auditors will update the AC and the Board on the new and revised financial reporting standards that are applicable to the Company or the Group.

All newly appointed Directors will undergo an orientation programme where the Director will be briefed on the Group's strategic direction, governance practices, business and organisation structure as well as the expected duties of a Director of a listed company. Appropriate external trainings for Directors conducted by the Singapore Institute of Directors and other accredited organisation will be arranged when necessary. The Company will also provide training for newly appointed Directors who have no prior experience as a Director of a Singapore public listed company as prescribed by the SGX-ST under Rule 406(3)(a) and Practice Note 4D of the Catalist Rules. To get a better understanding of the Group's business, the Director will also be given the opportunity to visit the Group's operational facilities and meet with key management personnel.

During FY2024, Ms Elaine Soong Siew Kim who had no prior experience as a Director of a Singapore public listed company was appointed to the Board. Ms Elaine Soong Siew Kim will attend the required training prescribed by Rule 406(3)(a) of the Catalist Rules within one year from her appointment.

The Management provides the Board with adequate and timely information as well as a review of the Group's performance prior to the Board meetings to enable the Directors to make informed decisions and discharge their duties and responsibilities. In view of the Company's half yearly reporting requirements, the Management provides the Board with its accounts on a half yearly basis. Financial information, reports and assessments are provided for circular meetings as well to provide sufficient information to the Board to make their decision.



# CORPORATE GOVERNANCE

All Directors have separate and independent access to the Management and the Company Secretary at all times through email, telephone and face-to-face meetings. The role of the Company Secretary, the appointment and removal of whom is a matter for the Board to decide, includes ensuring that Board procedures are followed; applicable rules and regulations are complied with, ensuring good information flows within the Board and its committees and between senior management and Non-Executive Directors, facilitating the Directors' orientation programme, and assisting with professional developments as required. Any additional materials or information requested by the Directors to make informed decisions is promptly furnished. Under the direction of the Chairman, the Company Secretary ensures timely and good information flows within the Board and its Board Committees and between the Management and independent Directors. The Company Secretary and/or her representative administer, attend and prepare the minutes of all Board and Board Committee meetings.

The Board in the furtherance of its duties, may seek independent professional advice at the Company's expense.

## 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.***

The Board comprises five (5) members with majority of the Board comprising Independent Directors and the Chairman of the Board is independent. There are three (3) Independent Non-Executive Directors and two (2) Executive Directors on the Board. As at the date of this CG Report, the Board members are as follows:

Wong Loke Tan	(Independent Non-Executive Chairman)
Foo Suay Wei	(Managing Director and CEO)
Foo Suay Lun	(Executive Director)
Ong Kai Hoe	(Independent Non-Executive Director)
Elaine Soong Siew Kim	(Independent Non-Executive Director), appointed on 02 July 2024

The Company is in compliance with Rule 406(3)(c) of the Catalist Rules as the Independent Directors make up at least one-third of the Board. The NC is satisfied that the Board has substantial independent elements to ensure that objective judgment is exercised on corporate affairs. The Board comprises a majority of independent and non-executive directors, with a total of five directors of whom three are independent and non-executive.

The independence of each Director is reviewed annually by the NC.

The NC is of the view that Mr Wong Loke Tan, Mr Ong Kai Hoe and Ms Elaine Soong Siew Kim are independent. The NC and the Board have reviewed and ascertained that all Independent Directors are independent according to the 2018 Code, its Practice Guidance and Rules 406(3)(d)(i) and 406(3)(d)(ii) of the Catalist Rules and has considered the following:

- (a) the Independent Directors: (i) are not employed by the Company or any of its related corporations in the current or any of the past three (3) financial years; and (ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations in the current or any of the past three (3) financial years, and whose remuneration is determined by the RC; and
- (b) none of the Independent Directors and their immediate family member had in the current or immediate past financial year (i) provided or received material services or significant payments to and/or from the Group when aggregated over any financial year is in excess of S\$50,000 for services other than compensation for board service; or (ii) was a substantial shareholder, partner, executive officer or a director of any organisation which provided or received material services or significant payments to and/or from the Group when aggregated over any financial year is in excess of S\$200,000 for services rendered;

## CORPORATE GOVERNANCE

- (c) none of the Independent Directors have been appointed for an aggregate period of more than nine years; and
- (d) none of the Independent Directors are directly associated with a substantial shareholder of the Company.

In performing the NC's review of the independence of the aforementioned Directors, Ms Elaine Soong Siew Kim and Mr Ong Kai Hoe, being members of the NC, have each abstained from participating in the review of the assessment of his independence. In addition, in performing the Board's review of the independence of the aforementioned Directors, Mr Wong Loke Tan, Mr Ong Kai Hoe and Ms Elaine Soong Siew Kim, each abstained from participating in the review of the assessment of his independence. The Independent Non-Executive Directors have also confirmed their independence in accordance with the 2018 Code.

### Board Diversity

The Company recognises and embrace the benefits of diversity of experience, age, skill sets, gender and ethics on the Board ("**Board Diversity**") and views Board Diversity as an essential element to support the attainment of its strategic objectives and sustainable development. The Company has a written Policy on Board Diversity and maintain a culture of diversity from a wide talent pool. The Board composition provides a diversity of skills, knowledge, experience, and their core competencies include relevant industry knowledge and experience, accounting and finance, legal and corporate governance and strategic planning experience and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The NC is of the view that no individual or small group of individuals dominates the Board's decision-making process. In identifying suitable candidates for new appointment to the Board, the NC will ensure that where possible, female candidates are included for consideration. Nevertheless, gender is but one aspect of diversity and new directors will continue to be selected based on their merits and the potential contributions which they can bring to the Board.

The Board has reviewed and believes that its composition achieves a diversity of skills, knowledge and experience to the Company as follows:

	Number of Directors	Proportion of Board
<b>Core of Competencies</b>		
Accounting/Finance	2	40%
Legal/Corporate Governance	5	100%
Industry/Customer based-knowledge or experience	4	80%
Strategic planning experience	3	60%
<b>Gender</b>		
Male	4	80%
Female	1	20%
<b>Age</b>		
>60	1	20%
<50	4	80%

# CORPORATE GOVERNANCE

The Board has taken the following steps to maintain or enhance its balance and diversity:

- Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

The NC will consider the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors.

The Independent Non-Executive Directors have met at least once without the presence of the Management in FY2024.

## 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.***

The roles of the Chairman and the Managing Director/CEO are separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Chairman and the Managing Director/CEO are not related to each other nor are they immediate family members.

As the Independent Non-Executive Chairman, Mr Wong Loke Tan bears the responsibility for overseeing the business of the Board and, together with the AC, ensures the integrity and effectiveness of the governance process of the Board. He leads the Board discussions and ensures that Board meetings are convened when necessary. In addition, the Chairman promotes a culture of openness and debate at the Board; ensures that the Directors receive complete, adequate and timely information; encourages constructive relations within the Board and between the Board and management; and facilitates the effective contribution of non-executive Directors. The Chairman chairs the AGM and ensures constructive communication between shareholders, the Board and management.

Mr Foo Suay Wei as the Managing Director/CEO bears the executive responsibilities for the overall daily operations of the Group's various businesses. He also oversees the execution of the business and corporate strategy decisions made by the Board.

All major decisions made by the Board are subject to majority approval of the Board.

# CORPORATE GOVERNANCE

## Board Membership

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

As at the date of this CG Report, the Board comprises five (5) Directors, two (2) of whom are Executive Directors while three (3) are Independent Non-Executive Directors.

Name of Directors	Position	Date of Initial Appointment	Date of Last Re-election/ Re-appointment
Wong Loke Tan	Independent Non-Executive Chairman	12.08.2016 <sup>(1)</sup>	25.04.2023
Foo Suay Wei <sup>(2)</sup>	Managing Director/CEO	26.12.2014	25.04.2024
Foo Suay Lun <sup>(3)</sup>	Executive Director	01.06.2018	26.04.2022
Ong Kai Hoe	Independent Non-Executive Director	21.07.2022	25.04.2023
Elaine Soong Siew Kim	Independent Non-Executive Director	02.07.2024	N/A

### Notes:

- (1) Mr Wong Loke Tan was re-designated from an Independent Director to the Independent Non-Executive Chairman on 23 February 2017.
- (2) Mr Foo Suay Wei is the brother of Foo Suay Lun.
- (3) Mr Foo Suay Lun is the brother of Foo Suay Wei.
- N/A denotes not applicable.

The NC comprises Ms Elaine Soong Siew Kim as Chairman, Mr Ong Kai Hoe and Mr Foo Suay Wei, a majority of whom, including the NC Chairman, are independent. The NC has adopted specific written terms of reference which includes:

- reviewing and recommending the nomination or re-nomination of Directors, the appointment and/or replacement of the Chairman, the CEO and key management personnel, having regard to the contribution and performance;
- reviewing each of the Director's independence annually;
- reviewing whether or not a Director is able to and has been adequately carrying out his duties as a Director;
- reviewing of training and professional development programmes for the Board and Directors;
- considering whether or not a Director who has multiple board representations is able to and has been adequately carrying out his duties as a Director of the Company;
- reviewing the composition of the Board annually; and
- reviewing of Board succession plans for Directors.

The NC also ensures that the Board, as a whole, possesses the core competencies required by the Code. All Directors are required to submit themselves for re-nomination and re-election at regular intervals and at least every three (3) years.

## CORPORATE GOVERNANCE

Before making its recommendation to the Board for the re-appointment of a retiring Director, the NC takes into consideration the current needs of the Board, the Director's contribution and performance which are determined by factors such as attendance, preparedness, participation and candour (as well as contribution to the effectiveness of the Board). The Director is also assessed based on his ability to adequately carry out the duties expected while performing his roles in other companies or other appointments.

Under Regulation 100 of the Company's Constitution, one third (1/3) of the Board is to retire by rotation and subject themselves to re-election by shareholders at every AGM provided that the Directors to retire from office, have been serving the longest in office since their last re-election or appointment. Under Regulation 100A of the Company's Constitution, the retiring Director shall be eligible for re-election.

Mr Foo Suay Lun who was last re-elected on 26 April 2022 is due to retire at the forthcoming AGM for re-election pursuant to Regulation 100 of the Company's Constitution. The NC, having reviewed and being satisfied with his overall contribution and performance as a Director of the Company, has recommended that Mr Foo Suay Lun be nominated for re-election at the forthcoming AGM.

Mr Wong Loke Tan who has been on the Board since 12 August 2016 and was last-elected on 25 April 2023, will be retiring at the forthcoming AGM. Accordingly, Mr Wong Loke Tan will cease to be a Director of the Company, Chairman of the Board and the AC and a member of the RC. The NC and the Board noted his retirement and thank him for his past contribution as the Independent Director to the Company. The Company will continue its search for a new Independent Director to ensure compliance with the Catalist Rules and the 2018 Code.

Ms Elaine Soong Siew Kim who was appointed on 2 July 2024 is also due to retire at the forthcoming AGM for re-election pursuant to Regulation 103 of the Company's Constitution.

Mr Foo Suay Lun will, upon re-election as a Director of the Company, remain as the Executive Director of the Company. Mr Foo Suay Lun is the brother of Mr Foo Suay Wei who is also the Managing Director & CEO of the Company, and Foo Suay Lun owns 100% of Salix Capital Pte Ltd, a 26.05% shareholder of the Company.

Ms Elaine Soong Siew will, upon re-election as a Director of the Company, remain as an Independent Non-Executive Director of the Company, the Chairman of Nominating Committee and a member of the Audit Committee and Remuneration Committee. The Board considers Ms Elaine Soong Siew Kim to be independent for the purposes of Rule 704(7) of the Catalist Rules.

Please refer to pages 32 to 36 of this annual report for information on the Directors nominated for re-election required under Rule 720(5) of the Catalist Rules.

New Directors are appointed by the Board upon the recommendation of the NC. In the nomination and selection process, the NC first considers the range of skills and experience required in the light of the following:

- a) Strategic direction and progress of the Group;
- b) Current composition of the Board and Board Committees as well as the experience and expertise of each individual Director; and
- c) Element of independence.

# CORPORATE GOVERNANCE

After which, the NC will source for potential candidates, usually through recommendations from Directors and Management. However, external help may also be sought to source potential candidates. Next, the NC will conduct interviews and assess the suitability of the short-listed candidates. The NC would recommend the selected candidate to the Board for consideration and approval. The criteria used to short-list candidates include possession of expert knowledge that meets the needs of the Company, the ability to commit time, character, business experience and acumen.

Notwithstanding that some of the Directors have multiple board representations, the NC and Board are satisfied that each Director is able to and has been adequately carrying out his duties as a Director of the Company. The Board does not propose to set the maximum number of listed company board representations which Directors may hold until such need arises.

The considerations in assessing the capacity of Directors include, *inter alia*, (i) Expected and/or competing time commitments of Directors, including whether such commitment is a full-time or part-time employment capacity; (ii) Geographical location of Directors; (iii) Size and composition of the Board; (iv) Nature and scope of the Group's operations and size; and (v) Capacity, complexity and expectations of the other listed Directorships and principle commitments held.

The NC would continue to review from time to time the board representations of each Director to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately.

The Company currently does not have any alternate Directors.

Key information regarding the Directors, including their principal commitments, Directorships in other listed companies are set out in the Board Members' section in page 10 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.***

The NC decides on how the Board's, Board Committees' and individual Directors' performance is to be evaluated and proposes objective performance criteria, subject to the Board's approval, which address how the Directors have enhanced long-term shareholders' value. The Board has also implemented a process to be carried out by the NC for assessing the effectiveness of the Board as a whole and Board Committees and for assessing the contribution of each individual Director to the effectiveness of the Board. Each member of the NC shall abstain from voting on any resolution in respect of the assessment of his performance or re-nomination as a Director. On a yearly basis, each member of the Board is assessed individually according to, among other things, his/her contributions and effectiveness.

The NC reviews the criteria for evaluation annually and makes changes where necessary to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long term shareholder's value, thereafter propose amendments if any, which would be subject to the approval of the Board.

# CORPORATE GOVERNANCE

The review parameters for evaluating each Director include, *inter alia*, the following:

- i. attendance at Board and Board Committee meetings;
- ii. preparedness and participation at meetings;
- iii. availability for consultation and advice, when required; and
- iv. knowledge, abilities, teamwork and integrity.

The NC also assessed the effectiveness of the Board as a whole by evaluating factors such as the adequacy and size of the Board, the individual Director's contribution towards the effectiveness of the Board, the Board's access to information, Board processes and accountability, and communication with senior management. Each Director completes a self-evaluation checklist which integrates the assessment of the Board, Board committees, Chairman and individual Directors. No external facilitator was used in the evaluation process of the individual Directors and the Board.

The NC has assessed the current Board and Board Committees' performance to date, as well as the performance of each individual Director and is of the view that the performance of the Board as a whole, and of each individual Director has met their performance objectives.

## REMUNERATION MATTERS

### Procedures for Developing Remuneration Policies

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

The RC is chaired by Mr Ong Kai Hoe and comprises Ms Elaine Soong Siew Kim and Mr Wong Loke Tan as members, all of whom are Independent Non-Executive Directors.

The key terms of reference of the RC are, *inter alia*, as follows:

- (a) To review and recommend to the Board a general framework of remuneration and specific remuneration packages for each Director and key management personnel;
- (b) To review and recommend to the Board the service contracts of Executive Directors and ensure that such service contracts are fair and not excessively long or with onerous renewal/termination clauses; and
- (c) determine, review and approve the design of all option plans, stock plans and/or other equity-based plans that the Company proposes to implement.

No Director or member of the RC is involved in deciding his own remuneration, except for providing information and documents specifically requested by the RC to assist in their deliberations.

The RC considers all aspects of remuneration, including termination terms, to ensure they are fair and is responsible for reviewing and approving the remuneration packages of the executive Directors and recommending to the Board the fees of the non-executive Directors. The RC's recommendations are submitted for endorsement by the entire Board.

# CORPORATE GOVERNANCE

The RC may from time to time, when necessary or required, seek advice from external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and key management personnel, so that the Group remains competitive in this regard. No remuneration consultant was engaged for FY2024.

## 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.***

The Company's remuneration policy which covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, benefits-in-kind, bonuses and options, seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. The policy articulates to staff the link that total compensation has to the achievement of organisational and individual performance objectives, and is benchmarked against relevant and comparative compensation in the market.

The RC seeks to ensure that the structure of remuneration packages for the Executive Directors and key management personnel are appropriate in linking rewards with performance and that such remuneration packages are aligned with the interests of shareholders and promote the long-term success of the Group.

The Company has entered into separate service agreements with the Managing Director/CEO, Mr Foo Suay Wei and the Executive Director, Mr Foo Suay Lun of which each initial service agreement is valid for an initial period of three (3) years and subject to automatic renewals every 3 years, on such terms and conditions as the parties agree. Their performance conditions which are pre-determined include conditions such as, *inter alia*, the Group's profit before tax. The RC has reviewed and is of the view that there are no onerous compensation commitments on the part of the Company in the event of termination of these service agreements. The notice period for the termination of these service agreements is three months.

The Independent Non-Executive Directors do not have any service agreements with the Company. The fees of the Independent Directors are determined by the Board, according to the level of their contributions, taking into account factors such as effort and time spent, and their respective responsibilities as Independent Non-Executive Directors as well as on Board Committees. Save for Director's fees, which have to be approved by the Shareholders at every AGM, the Independent Non-Executive Directors do not receive any other remuneration from the Company.

Since the expiry of the Koyo International Employee Share Option Scheme on 25 April 2021, the Company no longer has in place any share-based compensation scheme or any long-term scheme involving the offer of shares or options to the Directors, CEO, and key management personnel. The RC may consider other forms of long-term incentive schemes for the Management when necessary. The Company currently does not have any contractual provisions which allow it to reclaim incentives from the Executive Directors and key management personnel in exceptional circumstances. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the Group and/or Company (and not on forward-looking results) as well as the actual results of its Executive Directors and key management personnel, "claw-back" provisions in the service agreements may not be relevant or appropriate and there are separate legal avenues.



## CORPORATE GOVERNANCE

### 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.**

A breakdown of Directors' remuneration for FY2024 is as follows:

	Director Fee \$'000	Salary & CPF \$'000	Bonus \$'000	Allowance \$'000	Total \$'000
Foo Suay Wei	–	415.8	33.0	60.0	508.8
Foo Suay Lun	–	235.4	18.0	60.0	313.4
Wong Loke Tan	40	–	–	–	40
Yeo Guat Kwang*	10	–	–	–	10
Ong Kai Hoe	24	–	–	–	24
Elaine Soong Siew Kim**	10	–	–	–	10

\* Retired on AGM held 25 April 2024

\*\* Appointed on 2 July 2024

A breakdown, showing the remuneration paid to the Group's top 4 key management personnel (who are not Directors or the Managing Director/CEO of the Company) for FY2024 is as follows:

	Salary & CPF %	Bonus %	Allowance %	Total %
<b>Below S\$250,000</b>				
Dalat Kositanon	92	–	8	100
Goh Hwee Hiong	93	7	–	100
Goh Chin Hiew	86	8	6	100
Goh Teck Soon	88	7	5	100

Details, in incremental bands of S\$100,000, of the remuneration of employees who are immediate family members of a Director or the Managing Director/CEO whose remuneration exceeds S\$100,000 for FY2024 is as follows:–

Remuneration Band	Relationship with Director or Managing Director/CEO
<b>S\$100,000 to S\$199,999</b>	
Dalat Kositanon	(1) Mother of Mr Foo Suay Wei and Mr Foo Suay Lun, the Company's Managing Director/CEO and Executive Director respectively.

For FY2024, the total remuneration paid to the Directors (both executive and non-executive) of the Group was S\$906,200 and the total remuneration paid to the key top 4 executives (who are not the Directors or the Managing Director/CEO) of the Company was S\$584,400.

There are no termination, retirement or any post-employment benefits to Directors and key management personnel.

# CORPORATE GOVERNANCE

The Group adopts a remuneration policy for staff comprising fixed component and a variable component. The fixed component is in the form of a base salary and the variable component is in the form of a variable bonus that is linked to the Company's and individual's performance. The management moderates and allocates the variable bonus based on the individual performance of employees and their contributions towards the achievement of Koyo's performance.

## 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.***

The Board understands its responsibility to provide a balanced and understandable assessment of the Company's performance, position and progress. The Board updates shareholders on the operations and financial position of the company through half-yearly and full year announcements as well as timely announcements of other matters on the SGXNet as prescribed by the relevant rules and regulations.

The Management provides the Board with adequate and timely management accounts of the Group's performance on a regular basis in order to assist the Board in understanding the financial status and performance of the Group and for the Board to effectively discharge its duties.

The Board is responsible for the overall risk governance, risk management and internal control framework of the Group and is fully aware of the need to put in place a system of internal controls within the Group to safeguard Shareholders' interests and the Group's assets, and to manage risks. The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation.

### Risk Management

The Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks within the Group's policies and strategies.

The Company has an Enterprise Risk Management Framework ("**ERMF**") in place for the Group. The ERMF has been reviewed by the AC and approved by the Board of Directors. Based on the ERMF, the internal control policies and procedures established and maintained by the Group, as well as the reviews performed by the external and internal auditors, the Board, with the concurrence of the AC, is of the opinion that the risk management and internal control systems of the Group, addressing the financial, operational, compliance and information technology risks are adequate and effective as at 31 December 2024 to address the risks that the Group considers relevant and material to its operations.

The Company does not have a Board Risk Committee. The Board is of the view that the AC, supported by the Management alongside the ERMF is sufficient to address risk management issues. The AC and the Management will continually assess the adequacy and effectiveness of the risk management framework and processes.

# CORPORATE GOVERNANCE

## Internal Control

The Company continues to engage Wensen Consulting Asia (S) Pte Ltd as its internal auditor (“IA”) to perform the Group’s internal audit function. The IA has unfettered access to all the Group’s documents, records, properties and personnel, including access to the AC. The IA primarily reports directly to the AC and reports administratively to the Managing Director/CEO. The IA has adopted the Standards for Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

Wensen Consulting Asia (S) Pte Ltd is headed by the Managing Director Mr. Edward Yap, who is a member of Malaysian Institute of Accountants (MIA), member of Institute of Singapore Chartered Accountants (ISCA), Fellow Member of the Association of Certified Chartered Accountants (FCCA) and Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA). The engagement team comprises of an Associate Director who has more than 12 years of experience in risk management and risk-based internal auditing, a Lead Consultant and other supporting consultants who possesses relevant experience and qualification in the field of accounting and finance.

The AC is responsible for the hiring, removal, evaluation and compensation of the accounting or auditing firm which the internal audit function of the Company is outsourced. The AC, on an annual basis, assesses the independence, effectiveness and adequacy of resources of the IA by examining the scope of the IA work and its independence of areas reviewed and the IA’s report. The AC is satisfied that the internal audit function is independent, effective and has adequate resources and appropriate standing within the Company to undertake its activities independently and objectively.

The AC met with the IA without the presence of management once during FY2024.

The AC is satisfied that the internal audit function is staffed with qualified and experienced professionals with relevant experience.

The IA performs detailed work to assist the AC in the evaluation of the Group’s financial, operational, compliance and information technology controls based on the internal audit plan approved by the AC. Any material non-compliance or weaknesses in internal controls, including recommendations for improvements, are reported to the AC. The AC also reviews the effectiveness of actions taken by Management on the recommendations made by the IA in this respect. Based on the work performed by the IA for FY2024, covering procurement management for 3 subsidiaries – Koyo Engineering (S.E. Asia) Pte Ltd; Koyo M&E Pte Ltd and Koyo Engineering M&E Pte Ltd, no material weaknesses were highlighted.

The IA conducts an annual review of the effectiveness of the Company’s material internal control systems including financial, operational, compliance, and information technology controls. The external auditors, during the conduct of their normal audit procedures, may also report on matters relating to internal controls.

The Board has also received assurance from the Managing Director/CEO, Executive Director and the Chief Financial Officer that:

- (i) the financial records have been properly maintained and the financial statements give a true and fair view of the Group’s operations and finances; and
- (ii) the internal controls and risk management systems of the Group are adequate and effective in addressing the Group’s financial, operational, compliance and information technology control risks as at 31 December 2024.

# CORPORATE GOVERNANCE

Based on the internal controls established and maintained by the Group, ERMF established and reviewed by the AC and Management, work performed by the IA, and the statutory audit conducted by the external auditors, and the reviews performed by the Management, various Board Committees and the Board, the Board with the concurrence of the AC, is of the opinion that the internal controls and risk management systems of the Group are adequate and effective in addressing the Group's financial, operational, compliance and information technology control risks as at 31 December 2024.

The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group's assets are safeguarded. The Board notes that no system of internal controls and risk management can provide absolute assurance in this regard.

## Audit Committee

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

The AC comprises the AC Chairman, Mr Wong Loke Tan and two (2) other members, Mr Ong Kai Hoe and Ms Elaine Soong Siew Kim, all of whom (including the chairman of the AC) are Independent Non-Executive Directors. The key terms of reference of the AC includes, *inter alia*:

- (a) Reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;
- (b) Reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems, including financial, operational, compliance and information technology controls;
- (c) Reviewing the assurance from the CEO, Executive Directors and CFO on the financial records and financial statements;
- (d) Reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;
- (e) Making recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- (f) Reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on; and
- (g) Reviewing of any interested person transactions falling within the scope of the Catalist Rules and any potential conflicts of interests.

None of the AC members were previous partners or Directors of the Company's external audit firm within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or Director of the auditing corporation and none of the AC members hold any financial interest in the external audit firm.

The AC has also met with external and internal auditors, without the presence of Management, once in FY2024.

## CORPORATE GOVERNANCE

During FY2024, the external auditors during the presentation of the audit plan also provided relevant updates relating to changes to accounting standards and issues which have a direct impact on financial statements.

During FY2024, the AC has performed, *inter alia*, the following functions:

A. External & Internal Auditors

The AC has reviewed together with the external and internal auditors:

- i. the audit plans of the external and internal auditors of the Company;
- ii. their audit reports;
- iii. the assistance given by Management to the external and internal auditors; and
- iv. the consolidated financial statements of the Group.

The AC has also reviewed the independence of the external auditors. The AC shall continue to monitor the scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external auditors and give its recommendations to the Board and the Company regarding the appointment, re-appointment or removal of the external auditors.

The aggregate amount of fees paid or payable to the external auditors during FY2024 is as follows:

Audit fees	–	S\$88,000
Non-audit fees	–	Nil

There were no non-audit services fees paid to the external auditors in FY2024 and accordingly, the AC is satisfied with the independence and objectivity of the external auditors and has recommended to the Board the re-appointment of Messrs Grant Thornton Audit LLP as the external auditors of the Company at the forthcoming AGM.

The Company is in compliance with Rule 712 and Rule 715 of the Catalist Rules in relation to its external auditors.

The Company has put in place a whistle-blowing policy whereby employees and external parties may raise concerns about possible improper financial reporting or other matters to any member of the AC. The objective of such arrangement is to ensure independent investigation of such matters and for appropriate follow-up actions, all whistle blower reports can be sent to any member of the AC. All reports/complaints including the identity of the complainant will be treated as private and strictly confidential and the Company is committed to ensure that whistleblowers are protected against detrimental or unfair treatment. The members will then report to the Chairman of the AC. The whistle-blowing procedures are clearly communicated to employees during the induction meeting. The AC is responsible for oversight and monitoring of whistleblowing. During FY2024, there was no incident of concern reported to the AC.

# CORPORATE GOVERNANCE

## B. Review of financial statements

The half-yearly and full-year announcements are presented to the AC for approval, before endorsement by the Board, to ensure the integrity of information to be released.

During the financial year, the AC reviewed the half-year and full-year financial statements of the Company and the Group, including announcements relating thereto, released to Shareholders via SGXNet. The AC shall continue to review the financial statements of the Company and the Group on a half-yearly basis.

In the review of the financial statements for FY2024, the AC had discussed with the Management and the external auditors on changes to accounting standards and significant issues and assumptions that impact the financial statements. The most significant matters had also been included in the Independent Auditor's Report to Shareholders under "Key Audit Matters". Following the review, the AC concurred and agreed with the external auditors and the Management on their assessment, judgements and estimates on the Key Audit Matters reported by the external auditors. The Board had approved the financial statements.

## 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.***

Shareholders are informed of general meetings through the announcements released to the SGXNet and on the Company's corporate website, to ensure fair dissemination to shareholders.

The Company encourages Shareholders' participation at the Company's annual general meetings. The annual general meeting is the principal forum for dialogue with Shareholders. The Company's forthcoming general meeting for the financial year ended 31 December 2024 will be held physically. Please refer to the notices for more information.

Regulation 149 of the Company's Constitution allows for the communication of annual reports, appendixes, and circular(s) via electronic means. Hence, the Company's annual report for FY2024 will be made available to members solely by electronic means via publication on the SGXNet URL: <https://www.sgx.com/securities/company-announcements>, via publication on the Company's corporate website, <http://www.koyotech.com>. The Company will continue to mail the notice of general meeting, proxy form and request form to Shareholders.

Shareholders are given the opportunity to participate effectively in and to vote at general meetings of shareholders. Shareholders are able to engage with the Board and Management on the Group's business activities, financial performance and other business-related matters. The Chairman of the Board and the respective chairpersons of the Board Committees are present and available to address questions at the general meetings. The external auditors are also present to address shareholders' queries about the conduct of audit and the preparation of the auditors' report. The attendance of the Directors at the general meetings held during the financial year is disclosed in the Company's Annual Report.

An independent scrutineer is appointed by the Company for general meetings. Rules, including the voting procedures that govern the general meetings, will be explained to shareholders.

# CORPORATE GOVERNANCE

Each item of special business included in the notice of the general meetings will be accompanied by explanation of the effects of a proposed resolution. All the resolutions at the general meetings are single item resolutions.

Registered shareholders including corporations and custodial services providers who are unable to attend, are allowed to appoint up to two (2) proxies to vote on his/her behalf at the general meeting through proxy forms sent in advance. This allows shareholders who hold shares through corporations to attend and participate in the AGM via proxies. The Companies Act allows certain members who are relevant intermediaries (the meaning ascribed to it in Section 181 of the Companies Act 1967 such as corporations holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of CPF investors), to appoint multiple proxies to attend and participate in the general meetings.

Voting by absentia by mail, facsimile or email is currently not provided in the Company's Constitution as such voting methods would need to be cautiously studied for its feasibility to ensure that the integrity of the information and the authenticity of the shareholder's identity is not compromised.

The Company will publish the minutes of general meetings of shareholders on the SGX website via SGXNet and the Company's website within one month after the general meeting.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on various factors including (a) the level of available cash; (b) the return on equity and retained earnings; (c) projected level of capital expenditure and other investment plans and other factors as the Directors may deem appropriate. No dividend has been declared or recommended in respect of FY2024 to conserve the Company's cash resources for upcoming projects.

## 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.***

The Company believes in high standards of transparent corporate disclosure and is committed to disclose all major developments that may have a material impact on the Group to its shareholders, in a timely and fair manner via SGXNet and/or the Company's corporate website, as required by the Catalist Rules. The Company ensures that price-sensitive information is publicly released, and is announced within the mandatory period.

Communication is made, using electronic communications, via SGXNet through, *inter alia*:

- Annual report that is prepared and sent to all shareholders by publishing on the Company's corporate website. The Board ensures that the annual report includes all relevant information about the Company and the Group, including future developments and other disclosures required by the Singapore Companies Act and Singapore Financial Reporting Standards (International);
- Half-yearly and full-year announcements containing a summary of the financial information and affairs of the Group for that period; and
- Notices of explanatory memoranda for AGMs and Extraordinary General Meetings ("**EGMs**").

# CORPORATE GOVERNANCE

The Company's website at <http://www.koyotech.com> at which our shareholders can access financial information and profile of the Group.

The Company does not have a dedicated investor relations team, as communications with shareholders is the responsibility of the Management.

The Board welcomes the views of shareholders on matters affecting the Company whether at a shareholders' meeting or on an ad hoc basis. A shareholder of the Company may submit questions relating to resolutions to be tabled for approval at the AGM or the Company's businesses and operations in advance of the general meetings. The Company shall only address relevant and substantial questions prior to or of the general meeting and will endeavour to publish its response to those questions on the SGXNet and the Company's website on 20 April 2025. After the cut-off time for the submission of questions, if there are substantial and relevant questions received, the Board may address them at the AGM.

All resolutions are put to vote by poll in all its general meetings and are integral in the enhancement of corporate governance. For cost effectiveness, the voting of the resolutions at the general meetings are conducted by manual polling and their detailed results are announced at the meeting. The outcome of the general meeting is promptly announced via SGXNet after the general meeting.

## Managing Stakeholder Relationships

### Engagement with Stakeholders

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

The Company has undertaken the process of identifying its stakeholders and material aspects relevant to the Group's business. The interests and requirements of key stakeholders are also taken into account when formulating corporate strategies. The key stakeholders include, but are not limited to employees, suppliers & service providers, investors & shareholders, customers and regulators. The Company had adopted both formal and informal channels of communication to understand the needs of key stakeholders, and incorporate these into the Company's corporate strategies to achieve mutually beneficial relationships. The Company has disclosed on its engagement platforms to the stakeholders that its sustainability report for FY2024 will be released separately by end April 2025.

The Company maintains its website at <http://www.koyotech.com> to communicate and engage with stakeholders. On the website, stakeholders can find explanations about our expertise, our Company Profile, career opportunities, Annual Reports and other information.

## ADDITIONAL INFORMATION

### Dealing in Securities

In compliance with Rule 1204(19) of the Catalist Rules, the Company has adopted a set of code of conduct to provide guidance to its officers regarding dealings in the Company's securities.



# CORPORATE GOVERNANCE

The Company and its officers are not allowed to deal in the Company's securities during the period commencing one (1) month before the announcement of the Company's full year or half-year financial results and ending on the date of the announcement of such results and at any time they are in possession of unpublished material price sensitive information in relation to these securities. Directors and officers are also expected to observe insider trading laws at all times (including the permitted trading periods) or when they are in possession of unpublished price-sensitive information and advised not to deal in the Company's securities on short-term considerations.

## Risk Management

The Company is continually reviewing and improving the business and operational activities to take into account the risk management perspective. This includes reviewing management and manpower resources, updating work flows, processes and procedures to meet the current and future market conditions.

## Interested Person Transactions

The Group has procedures governing all interested person transactions ("IPTs") to ensure that they are properly documented and reported in a timely manner to the AC and that such transactions are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the Company.

Reference is made to the Company's announcement dated 25 February 2025 and 12 September 2024 wherein the IPTs entered into comprises the following:

- i. a bridging loan amounting to S\$0.5 million that was extended by Mr Foo Suay Lun ("FSL") to Koyo Engineering (S.E. Asia) Pte Ltd ("KEPL"), the interest of which amounted to approximately S\$27,000;
- ii. a working capital loan amounting to S\$3.0 million that was extended by FSL to KEPL, which was fully drawn down during FY2024, the interest of which amounted to approximately S\$27,000; and
- iii. a working capital loan amounting to S\$3.5 million that was extended by KF Capital Pte Ltd to KEPL which was fully drawn down during FY2024, the interest of which amounted to approximately \$169,000.

The aggregate value of all IPTs is \$223,000. The Group does not have a general mandate from shareholders.

## Non-Sponsor Fees

There was no non-sponsor fees paid/payable to SAC Capital Private Limited during FY2024.

## Material Contracts

There was no material contracts entered into by the Group involving the interests of the CEO, the Director or controlling shareholders, either still subsisting at the end of the financial year or if not then subsisting, which were entered into since the end of the previous financial year.

## CORPORATE GOVERNANCE

Information for the Directors who are retiring and being eligible, offer themselves for re-election at the forthcoming AGM pursuant to Rule 720(5) of the Catalyst Rules:

Details	Name of Retiring Director	
	Foo Suay Lun	Elaine Soong Siew Kim
Date of Appointment	1 June 2018	2 July 2024
Date of last re-appointment (if applicable)	26 April 2022	Not applicable
Age	38	42
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of the Company has accepted the NC's recommendation, who has reviewed and considered Mr. Foo Suay Lun's contributions as Executive Director of the Company.	The Board of the Company has accepted the NC's recommendation, who has reviewed and considered Ms. Elaine Soong Siew Kim's qualifications, track record, working experience, and other relevant factors, is of the view that she has requisite experience and capabilities as an Independent Non-Executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. Take charge of the operations and business of Koyo International Limited (" <b>Koyo</b> ") and its subsidiaries.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director	Independent Non-Executive Director, Chairman of Nominating Committee, member of Audit Committee and Remuneration Committee
Professional qualifications	Bachelor of Engineering Mechanical Degree,  Master of Science in Energy and Environment Technology and Economies,  A member of the Institute of Engineers Singapore.	Bachelor of Engineering (Mechanical Engineering) from National University of Singapore  Member of Professional Engineers Board
Working experience and occupation(s) during the past 10 years	2013 to 31 May 2018 – Project Manager, Koyo Engineering (S.E. Asia) Pte. Ltd. (Koyo Engineering")  2008 to 2008 – Assistant Engineer, Koyo Engineering  Mr Foo Suay Lun was appointed to the Board of Koyo as Executive Director on 1 June 2018.	W2Square Consultancy Pte Ltd – Director (2014 to present)

## CORPORATE GOVERNANCE

Details	Name of Retiring Director	
	Foo Suay Lun	Elaine Soong Siew Kim
Shareholding interest in the listed issuer and its subsidiaries	Mr Foo Suay Lun is deemed interested in 49,449,500 shares through Salix Capital Pte. Ltd. which is 100% owned by Mr Foo Suay Lun.	No
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	<p>Brother of Mr Foo Suay Wei, Managing Director/CEO of Koyo.</p> <p>Son of Mdm Dalat Kositanon, Corporate Services Director of Koyo Engineering.</p> <p>The estate of Foo Chek Heng, deceased holds 38.31% of the shares in the Company. Son of the late Foo Chek Heng.</p>	<p>There is no existing relationship between Ms. Soong and the relevant persons. For completeness, W2Square Consultancy Pte Ltd, being Ms. Soong's company, was engaged by the Group to provide professional engineering-related services for a project in June 2020. Such engagement is ongoing and total fees involved over the whole engagement period is less than S\$70,000.</p> <p>The Board, having reviewed the nature of this engagement and the value involved, the fact that there is no other relationship noted, and together with the independence confirmation received from Ms. Soong, has no reason to doubt her suitability as Independent Non-Executive Director.</p>
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships	<b>Past (for the last 5 years)</b>	<b>Past (for the last 5 years)</b>
	UGPI Corporation Pte. Ltd. The Canopy Café Pte Ltd	Nil
	<b>Present</b>	<b>Present</b>
	Koyo M&E Pte. Ltd.	WeSquare Consultancy Pte Ltd Coffee Koh-Soong Private Limited Tab Consultancy

## CORPORATE GOVERNANCE

Details		Name of Retiring Director	
		Foo Suay Lun	Elaine Soong Siew Kim
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

## CORPORATE GOVERNANCE

Details		Name of Retiring Director	
		Foo Suay Lun	Elaine Soong Siew Kim
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
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

## CORPORATE GOVERNANCE

Details		Name of Retiring Director	
		Foo Suay Lun	Elaine Soong Siew Kim
j.	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
	i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
	ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
	iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
	iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,  in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
k.	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

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# DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited financial statements of Koyo International Limited (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2024.

## 1. Opinion of the directors

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and the financial performance, changes in equity and cash flows of the Group for the year then ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## 2. Directors

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

Foo Suay Wei  
 Foo Suay Lun  
 Wong Loke Tan  
 Ong Kai Hoe  
 Elaine Soong Siew Kim (Appointment date 2 July 2024)

## 3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## 4. Directors' interest in shares or debentures

According to the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 (the "Act"), none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year, except as follows:

	Holdings registered in name of nominee			Holdings registered in name of director		
	At 21.01.2025	At 31.12.2024	At 01.01.2024	At 21.01.2025	At 31.12.2024	At 01.01.2024
<b>Company</b>						
(No. of ordinary shares)						
Foo Suay Lun	49,449,500	49,449,500	49,449,500	–	–	–



# DIRECTORS' STATEMENT

## 4. Directors' interest in shares or debentures (continued)

Mr Foo Suay Lun, who by virtue of his deemed interest of not less than 20% of the issued capital of the Company, via the shares held by Salix Capital Pte Ltd, which is 100% owned by Mr Foo Suay Lun, is deemed to have an interest in the share capital of the Company's wholly owned subsidiaries.

## 5. Share options

There was no share options granted during the financial year to subscribe for unissued shares of the Company and its subsidiaries.

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

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

## 6. Audit committee

The Audit Committee ("AC") comprises the following members:

Wong Loke Tan (Chairman)  
Elaine Soong Siew Kim  
Ong Kai Hoe

All members of the AC were independent and non-executive directors.

The AC carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act 1967, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Code of Corporate Governance 2018. Among other functions, it performed the following:

- Reviewed the audit plans of the Company's internal and external auditors, the results of their examination, and the internal and external auditors' evaluation of the adequacy of the Company's system of internal accounting controls.
- Reviewed the assistance given by the Group's and the Company's management to the external and internal auditors;
- Reviewed the half yearly announcement and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors (the "**Board**");
- Reviewed effectiveness of the Group's and the Company's material internal controls, including financial, operational, compliance and information technology controls and their risk management via reviews carried out by the internal auditor;
- Met with the external auditor and internal auditors at least once annually, to discuss any problem and concern they may have;

# DIRECTORS' STATEMENT

## 6. Audit committee (continued)

- Reviewed legal and regulatory matters that may have a material impact on the financial statements related compliance policies and regulations and any reports received from regulators;
- Reviewed the cost effectiveness, and as required under Section 206(1A) of the Act, the independence and objectivity of the external auditor, and determined that the auditors were independent in carrying out their audit of the financial statements;
- Reviewed the nature and extent of non-audit services provided by the external auditor;
- Made recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- Reviewed the adequacy and effectiveness of the Group's internal audit function at least annually, including the adequacy of internal audit resources and its appropriate standing within the Group, as well as the scope and results of the internal audit procedures;
- Provide oversight and monitoring arrangements whereby concerns on possible financial improprieties or, other matters raised by whistle-blowers are investigated independently and appropriate follow-up action taken; and
- Reviewed and approved interested person transactions as defined in Chapter 9 of the Listing Manual of the SGX-ST.

The AC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor.

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

The AC has recommended to the board of directors that the independent auditor, Grant Thornton Audit LLP, be nominated for re-appointment as the independent auditor at the next annual general meeting of the Company.

The appointing our auditors of the Company and subsidiaries, we have complied with Rules 712 and 715 of the Listing Manual of the SGX-ST.

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

# DIRECTORS' STATEMENT

## 7. Auditors

At an Extraordinary General Meeting held on 30 September 2024, Grant Thornton Audit LLP were appointed as the auditors of the Company. Grant Thornton Audit LLP has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors

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**Foo Suay Wei**

Director

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**Wong Loke Tan**

Director

8 April 2025

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KOYO INTERNATIONAL LIMITED

## Report on the Audit of the Financial Statements

### Opinion

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

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the 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 Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Matter

The financial statements of the Group and the Company for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on 8 April 2024.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KOYO INTERNATIONAL 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 period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in our audit
<p><b>Recognition and measurement of contract revenue, contract costs and related provisions</b></p> <p>The Group's revenue for the financial year ended 31 December 2024 comprise construction contracts and facilities management.</p> <p>For construction contracts, the Group recognises revenue overtime using the input and output method for measuring progress for different performance obligations and for different contracts that best depicts the transfer of control of goods or services promised to the customer.</p> <p>For construction project measured using input method, the performance obligation milestone is measured based on actual costs incurred to-date relative to the total budgeted costs for each project. If the unavoidable costs of meeting the obligations under a contract exceed the expected economic benefits to be received from the contract, a provision for onerous contract is recognised.</p> <p>For construction project measured using output method, the performance obligation milestone is measured by reference to the value of work done certified by a third-party assessor (i.e. work done certified by the quantity surveyor, consultants or acknowledgement by customers).</p> <p>The uncertainty and subjectivity involved in determining the budgeted costs and progress towards completion including variation orders and claims may have a significant impact on the amount of revenue recognised and the results of the Group, including the possible provision of onerous contract and other liabilities. As such, we determined this to be a key audit matter.</p>	<p>Our audit procedures included but are not limited to the following:</p> <ul style="list-style-type: none"> <li>• Traced total contract sums to contracts and variation orders entered into by the Group with its customers;</li> <li>• Reviewed the contractual terms for contracts with customers and verified project revenue and costs incurred against underlying supporting documents;</li> <li>• Assessed the reasonableness of the revenue recognised via discussions with the project teams and obtaining corroborating evidence such as correspondence with the customers;</li> <li>• Perused customers' and subcontractors' correspondences and discussed the progress of the projects with the Group's various project management personnel for signs of any potential disputes, variation order claims, known technical issues, delays, penalties, cost overrun or significant events that could impact the estimated total budgeted costs;</li> <li>• Based on the work performed on estimated total budgeted costs, assessed management's position on provision for onerous contracts for projects which are expected to be loss-making, where applicable; and</li> <li>• Reviewed and challenged management's assessment of the outstanding projects' estimated costs to complete and the reasonableness of provisions for other liabilities.</li> </ul> <p>For construction projects measured using output method:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the projects under construction through discussions with management and examination of project documentation (including contracts and correspondence with customers); and</li> <li>• Checked the contract revenue recognised to the value of work done certified by a third-party assessor.</li> </ul>

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KOYO INTERNATIONAL LIMITED

Key Audit Matter	How the matter was addressed in our audit
<p><b>Recognition and measurement of contract revenue, contract costs and related provisions (continued)</b></p> <p>The key assumptions to the estimate of total construction revenue, variation or claims as contract revenue, contract balances and provision for other liabilities are disclosed in Note 3.2(a), 13 and 17.</p>	<p>For construction project measured using input method:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding and reviewed management's internal costing and budgeting processes in estimating contract revenues, total budgeted costs and profit margin on a sample basis;</li> <li>• Checked the contract revenue recognised to the stage of completion of each project measured by reference to actual contract costs incurred for work performed to date relative to the estimated total budgeted cost;</li> <li>• Assessed the reasonableness of the key assumptions used by management in estimating the total budgeted costs for the projects;</li> <li>• Assessed the appropriateness of inputs, amongst others, materials, subcontractor and labour costs used by management in their estimation of the total budgeted costs to complete and obtained supporting documentation on the major inputs;</li> <li>• Assessed the reasonableness of the total estimated contract costs and costs to complete through, but not limited to, retrospective assessment and obtaining supporting documentation on major inputs; and</li> <li>• Checked the mathematical accuracy of the revenue recognised based on the input method calculation.</li> </ul>

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KOYO INTERNATIONAL LIMITED

Key Audit Matter	How the matter was addressed in our audit
<p><b>Impairment of trade receivables and contract assets</b></p> <p>The Group's trade receivables and contract assets (collectively, the 'contract receivables') amounted to \$2,152,000 and \$31,991,000 (2023: \$6,678,000 and \$20,589,000) respectively as at 31 December 2024.</p> <p>At each reporting date, the Group identifies the contract receivables that are credit-impaired and determines the specific loss allowance.</p> <p>Insofar as the contract receivables that are not credit-impaired, the Group measures loss allowances at the amounts equal to lifetime expected credit losses ('ECLs').</p> <p>The assumptions about the risk of default and expected loss rates on these contract receivables are highly judgemental.</p> <p>The key assumptions to the estimate of provision for expected credit losses of trade and other receivables and contract assets are disclosed in Note 3.2(c), 12 and 13.</p>	<p>Our audit procedures included but not limited to the following:</p> <ul style="list-style-type: none"> <li>• Reviewed and evaluated management's key assumptions to estimate provision for expected credit loss ("ECL") of contract receivables;</li> <li>• Reviewed all credit-impaired contract receivables identified by management, and examined the adequacy of the specific loss allowances, where needed;</li> <li>• Evaluated the lifetime ECL model in accordance with simplified approach in FRS 109 applied by management towards the non-credit impaired contract receivables;</li> <li>• Evaluated management's segmentation of the customer base into respective credit risk rating classes; and</li> <li>• Checked the expected credit loss rate applied by comparing to market observable information, and performed a re-computation.</li> </ul>

## Other Information

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KOYO INTERNATIONAL 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KOYO INTERNATIONAL LIMITED

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

- 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.
- 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, actions taken to eliminate threats or safeguards applied.

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

## Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those 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 Tan Ee Choon.

## GRANT THORNTON AUDIT LLP

Public Accountants and  
Chartered Accountants

Singapore

8 April 2025

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group	
		2024 \$'000	2023 \$'000
Revenue	4	47,287	60,980
Cost of construction	5	(37,387)	(46,021)
<b>Gross profit</b>		<b>9,900</b>	14,959
Other income	7	602	351
Expenses			
– Selling and distribution	5	(133)	(110)
– Administrative	5	(9,362)	(9,744)
– Allowance for expected credit losses	5	(14)	(3,106)
– Other operating	5	(367)	(492)
– Finance	5	(568)	(322)
<b>Profit before income tax</b>		<b>58</b>	1,536
Income tax benefit	8	–	3
<b>Net profit</b>		<b>58</b>	1,539
<b>Other comprehensive income/(loss)</b>			
Item that will not be reclassified to profit or loss:			
Revaluation gains on leasehold property	20(b)(iii)	2,485	–
Net fair value losses on equity instruments at fair value through other comprehensive income	20(b)(i)	(1)	(3)
<b>Other comprehensive income/(loss), net of tax</b>		<b>2,484</b>	(3)
<b>Total comprehensive income</b>		<b>2,542</b>	1,536
<b>Profit attributable to:</b>			
Equity holders of the Company		58	1,539
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company		2,542	1,536
<b>Earnings per share for profit attributable to equity holders of the Company (cents per share)</b>			
– Basic	9	0.03	0.81
– Diluted	9	0.03	0.81

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

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	Group		Company	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances	10	2,781	9,387	185	194
Trade and other receivables	12(a)	3,311	8,147	3	12
Contract assets	13(i)	30,505	20,589	–	–
Inventories		22	30	–	–
		<u>36,619</u>	<u>38,153</u>	<u>188</u>	<u>206</u>
<b>Non-current assets</b>					
Other financial assets	11	14	680	–	665
Investments in subsidiaries	14	–	–	18,850	18,850
Property, plant and equipment	15	7,607	6,237	–	–
Contract assets	13(i)	1,486	–	–	–
Other receivables	12(b)	1,200	1,200	–	–
		<u>10,307</u>	<u>8,117</u>	<u>18,850</u>	<u>19,515</u>
<b>Total assets</b>		<u>46,926</u>	<u>46,270</u>	<u>19,038</u>	<u>19,721</u>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Lease liabilities	18(a)	972	1,484	–	–
Bank borrowing	18(b)	–	3,500	–	–
		<u>972</u>	<u>4,984</u>	<u>–</u>	<u>–</u>
<b>Current liabilities</b>					
Trade and other payables	16	21,028	18,632	779	1,254
Bank borrowing	18(b)	4,000	1,513	–	–
Provisions	17	1,150	–	–	–
Contract liabilities	13(ii)	–	3,875	–	–
Lease liabilities	18(a)	131	163	–	–
		<u>26,309</u>	<u>24,183</u>	<u>779</u>	<u>1,254</u>
<b>Total liabilities</b>		<u>27,281</u>	<u>29,167</u>	<u>779</u>	<u>1,254</u>
<b>NET ASSETS</b>		<u>19,645</u>	<u>17,103</u>	<u>18,259</u>	<u>18,467</u>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	19(a)	4,477	4,477	40,072	40,072
Treasury shares	19(b)	(630)	(630)	(630)	(630)
Other reserves	20(a)	4,125	1,641	–	–
Retained profits/(accumulated losses)		11,673	11,615	(21,183)	(20,975)
<b>Total equity</b>		<u>19,645</u>	<u>17,103</u>	<u>18,259</u>	<u>18,467</u>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Attributable to equity holders of the Company				
	Share capital \$'000	Treasury shares \$'000	Other reserves \$'000	Retained profits \$'000	Total equity \$'000
<b>Group</b>					
<b>At 1 January 2024</b>	<b>4,477</b>	<b>(630)</b>	<b>1,641</b>	<b>11,615</b>	<b>17,103</b>
Profit for the year	–	–	–	58	58
Other comprehensive income/(loss)					
Revaluation gains on leasehold property	–	–	2,485	–	2,485
Net fair value losses on equity securities at fair value through other comprehensive income	–	–	(1)	–	(1)
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>–</b>	<b>2,484</b>	<b>58</b>	<b>2,542</b>
<b>At 31 December 2024</b>	<b>4,477</b>	<b>(630)</b>	<b>4,125</b>	<b>11,673</b>	<b>19,645</b>
<b>At 1 January 2023</b>	<b>4,477</b>	<b>(630)</b>	<b>1,644</b>	<b>10,076</b>	<b>15,567</b>
Profit for the year	–	–	–	1,539	1,539
Other comprehensive (loss)/income					
Net fair value losses on equity securities at fair value through other comprehensive income	–	–	(3)	–	(3)
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>–</b>	<b>(3)</b>	<b>1,539</b>	<b>1,536</b>
<b>At 31 December 2023</b>	<b>4,477</b>	<b>(630)</b>	<b>1,641</b>	<b>11,615</b>	<b>17,103</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 \$'000	Group 2023 \$'000
<b>Cash flows from operating activities</b>			
Net profit for the year		58	1,539
Adjustments for:			
– Income tax benefit	8	–	(3)
– Depreciation of property, plant and equipment	5	721	754
– Allowance for expected credit losses – contract assets		–	1,915
– Allowance for expected credit losses – trade receivables		14	1,191
– Gains on disposal of financial assets, at FVPL		(48)	–
– Dividend income from financial assets, at FVPL	7	(2)	(9)
– Fair value losses/(gains) on financial assets, at FVPL		–	(97)
– Exchange loss on financial assets, at FVPL	5	–	25
– Interest expense	5	568	322
– Interest income	7	(62)	(38)
– Provision for other liabilities		1,150	–
<b>Operating profit before working capital changes</b>		<b>2,399</b>	<b>5,599</b>
Changes in working capital:			
– Inventories		8	17
– Trade and other receivables, contract assets		(6,582)	(11,981)
– Trade and other payables, contract liabilities		(5,174)	1,206
– Other financial assets at FVPL		715	–
– Provisions		–	(1,720)
<b>Cash used in operations</b>		<b>(8,634)</b>	<b>(6,879)</b>
Income tax paid		–	(126)
<b>Net cash used in operating activities</b>		<b>(8,634)</b>	<b>(7,005)</b>
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment	Note A	(35)	(8)
Interest income received		64	38
<b>Net cash from investing activities</b>		<b>29</b>	<b>30</b>
<b>Cash flows from financing activities</b>			
Secured bank deposits pledged to banks		(2)	(2)
Interest paid		(322)	(223)
Principal payment of lease liabilities		(179)	(257)
(Repayment of)/Proceeds from bank borrowings		(1,000)	5,000
Proceeds from director's loan		3,000	500
Proceeds from related party's loan		500	3,000
Net changes in trust receipts		–	(555)
<b>Net cash from financing activities</b>		<b>1,997</b>	<b>7,463</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(6,608)</b>	<b>488</b>
Cash and cash equivalents at 1 January		8,260	7,772
<b>Cash and cash equivalents at 31 December</b>	Note B	<b>1,652</b>	<b>8,260</b>

**Note A:**

The Group acquired property, plant and equipment with an aggregate cost of \$256,000 (2023: \$689,000), of which \$207,000 (2023: \$89,000) was acquired under leases and \$35,000 (2023: \$8,000) via cash payment.

**Note B:**

For the purpose of presenting the statement of cash flows, short-term bank deposits of \$1,129,000 (2023: \$1,127,000) pledged to bank as securities for the bank facilities have been excluded from cash and bank balances (Note 10).

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 1. General information

Koyo International Limited ("Company") is listed on the Catalist, the sponsor-supervised listing platform of SGX-ST and incorporated and domiciled in Singapore. The Company has changed the address of its registered office to 33 Ubi Avenue 3, #02-16, Singapore 408868 with effect from 01 March 2024.

The principal activities of the Company are those of investment holding and business of providing integrated mechanical and electrical engineering ("M&E") services.

The principal activities of its subsidiaries are disclosed in Note 14 to the financial statements.

## 2. Material accounting policy information

### 2.1 Basis of preparation

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

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the financial year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

These financial statements are presented in Singapore dollar ("S") which is also the functional currency of the Company. All financial information presented are rounded to the nearest thousand ("S'000"), unless otherwise indicated.

#### Going concern assumption

The Company incurred a net loss of \$208,000 (2023: \$160,000) during the financial year ended 31 December 2024 and as at that date, the Company's current liabilities exceeded its current assets by \$591,000 (2023: \$1,048,000). Included in the current liabilities is an amount of \$730,000 (2023: \$1,200,000) due to a subsidiary.

Notwithstanding the above, the directors are of the view that it is appropriate to prepare the financial statements on a going concern basis as the subsidiary has undertaken not to seek for immediate repayment of the amount due from the Company until the Company's external liabilities have been settled or when the Company's cashflows permit.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2. Material accounting policy information (continued)

### 2.2 New accounting standards and amendments

On 1 January 2024, the Group and the Company have adopted the new or amended SFRS(I)s that are effective for financial year beginning on 1 January 2024. The adoption of the new SFRS(I)s did not result in any significant changes to the accounting policies and had no material effect on the amounts reported for the current or prior financial years.

### 2.3 Standards issued but not yet effective

At the date of authorisation of these statements, the following SFRS(I) and SFRS(I) INT were issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-21: The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)	1 January 2025
Annual improvement to SFRS(I)s – Volume 11	1 January 2026
Amendments to SFRS(I) 9 and SFRS(I) 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to SFRS(I) 9 and SFRS(I) 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
SFRS(I) 18: Presentation and Disclosure in Financial Statements	1 January 2027
SFRS(I) 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group does not intend to early adopt any of the above new/revised standards, interpretations, and amendments to the existing standards.

Management is in the process of assessment and anticipates that the adoption of the above SFRS(I) and amendments to SFRS(I) in future periods will not have a material impact on the financial statements in the period of their initial adoption except for the following:

SFRS(I) 18 is effective for annual reporting periods beginning on or after 1 January 2027 with earlier application permitted. SFRS(I) 18 requires retrospective application with specific transition provisions. Management anticipates that the new requirements will change the current presentation and disclosure in the financial statements:

SFRS(I) 18 introduces new requirements to:

- Present the statement of profit or loss with specified categories and defined subtotals. Entities are required to classify all income and expenses into one of the five categories in the statement of profit or loss: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2. Material accounting policy information (continued)

### 2.3 Standards issued but not yet effective (continued)

- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation of the financial information which apply to the primary financial statements and notes in general

### 2.4 Revenue recognition

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

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

#### *Contract revenue from construction contracts and facilities management*

The Group provides integrated mechanical and electrical engineering ("M&E") services, engineering contract works and facilities management services through fixed-price contracts. At contract inception, the Group assesses whether the Group transfers control of the services over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to date.

Contract revenue is recognised over time by measuring the progress towards complete satisfaction of performance obligations. The measure of progress is typically assessed by reference to either surveys of work performed (output method), or the cost incurred to date relative to total estimated cost (input method) depending on which method would faithfully depict the Group's performance towards complete satisfaction of the performance obligation. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

Contract revenue is recognised over time by reference to the Group's progress towards completing the contract activity at the end of the reporting period, when the outcome of a construction contract can be estimated reliably.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2. Material accounting policy information (continued)

### 2.4 Revenue recognition (continued)

#### *Contract revenue from construction contracts and facilities management (continued)*

An expected loss on the construction contract is recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenue.

Revenue from facilities management is recognised when the services have been performed and rendered to the customer.

#### *Contract assets and contract liabilities*

A contract asset is recognised when the Group has performed under the contract but has yet to bill the customer. Conversely, a contract liability is recognised when the Group has yet to perform under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

The Group becomes entitled to invoice customers for services based on achieving a series of performance-related milestones acknowledged by customer.

### 2.5 Government grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

### 2.6 Group accounting

#### *Subsidiaries*

##### *(i) Consolidation*

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Group has power and the Group is able to use such power to affect its exposure, or rights, to variable returns from its involvement with the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2. Material accounting policy information (continued)

### 2.6 Group accounting (continued)

#### *Subsidiaries (continued)*

##### *(i) Consolidation (continued)*

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

##### *(ii) Acquisitions*

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

The consideration transferred for the acquisition of a subsidiary or business is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Acquisition-related costs are expensed as incurred.

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

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2. Material accounting policy information (continued)

### 2.6 Group accounting (continued)

#### *Subsidiaries (continued)*

#### *(iii) Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

### 2.7 Property, plant and equipment

#### *(a) Measurement*

#### *(i) Leasehold properties*

Leasehold properties are initially recognised at cost and are subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses.

Leasehold properties are revalued by independent professional valuers whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the assets.

Valuations are performed at least once every three years to ensure that the carrying amount does not differ materially from the fair value of the leasehold properties and improvements at the end of the reporting period.

Increases in carrying amounts arising from revaluation are recognised in other comprehensive income (OCI) and accumulated in equity, unless they reverse a revaluation decrease of the same asset previously recognised in profit or loss. In this case, the increase is recognised in profit or loss. Decreases in carrying amounts are recognised in other comprehensive income to the extent of any credit balance existing in the equity in respect of that asset and reduces the amount accumulated in equity. All other decreases in carrying amounts are recognised in profit or loss.

#### *(ii) Other property, plant and equipment*

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

#### *(iii) Components of costs*

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2. Material accounting policy information (continued)

### 2.7 Property, plant and equipment (continued)

#### (b) Depreciation

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

	<u>Useful lives</u>
Office equipment and tools	5 years
Furniture and fittings	5 years
Motor vehicles	5 years
Computers	1 year
Renovation	5 years
Leasehold properties	6.13 to 24.7 years
Leased office premises	2 years
Machinery and equipment	5 years

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use. No depreciation is charged on construction-in-progress as they are not yet in use as at the end of the financial year.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate. The effects of any revision are recognised in profit or loss when the changes arise.

#### (c) Subsequent expenditure

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

#### (d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss. Any amount in revaluation reserve relating to that item is transferred to retained profits directly.

### 2.8 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2. Material accounting policy information (continued)

### 2.9 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 2.10 Financial instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when the Group becomes party to the contractual provisions of the instrument.

#### (a) *Initial recognition and measurement*

A financial asset (with the exception of trade receivables that do not contain a significant financing component) or financial liability is initially measured at fair value plus or minus transaction costs that are directly attributable to its acquisition or issue, except for those financial assets classified as at fair value through profit or loss. A trade receivable without a significant financing component is initially measured at the transaction price.

#### (b) *Classification and measurement*

##### *Non-derivative financial assets*

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVPL"). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2. Material accounting policy information (continued)

### 2.10 Financial instruments (continued)

#### (b) Classification and measurement (continued)

##### Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the financial asset 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. Financial assets at amortised cost include trade and other receivables, and cash and bank balances. These assets are subsequently measured at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

##### Equity investments at FVOCI

On initial recognition of certain equity investments that are not held-for-trading, the Group may make an irrevocable election to present subsequent changes in the investment's fair value in OCI. The election is made on an investment-by-investment basis. These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

##### Financial assets at FVPL

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVPL. These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

##### Financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's contractual obligations are discharged, cancelled or they expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

### 2.11 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2. Material accounting policy information (continued)

### 2.11 Impairment of financial assets (continued)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Group considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### 2.12 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### 2.13 Financial guarantees

The Company has issued corporate guarantees to banks for banking facilities for its subsidiaries. In the event the subsidiaries utilise these banking facilities, these guarantees will be financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

### 2.14 Trade and other payables

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2. Material accounting policy information (continued)

### 2.15 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices on the last working day of the financial year. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

### 2.16 Leases

(a) *When the Group is the lessee:*

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

- Right-of-use assets

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

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

Right-of-use assets are subsequently stated at cost less accumulated depreciation and impairment losses and presented within "Property, plant and equipment".

- Lease liabilities

The initial measurement of a lease liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use the lessee's incremental borrowing rate.

The Group generally uses the lessee's incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2. Material accounting policy information (continued)

### 2.16 Leases (continued)

(a) *When the Group is the lessee: (continued)*

- Lease liabilities (continued)

Lease payments include the following:

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2. Material accounting policy information (continued)

### 2.16 Leases (continued)

(a) *When the Group is the lessee: (continued)*

- Short term leases and low value assets

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

- Variable lease payments

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

(b) *When the Group is the lessor:*

Operating lease

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income. Contingent rents are recognised as income in profit or loss when earned.

### 2.17 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2. Material accounting policy information (continued)

### 2.17 Income taxes (continued)

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

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

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amounts of its assets and liabilities.

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

### 2.18 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

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

### 2.19 Provisions

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2. Material accounting policy information (continued)

### 2.19 Provisions (continued)

#### *Onerous contracts*

A provision for onerous contracts is recognised when the unavoidable costs of meeting the obligations under the contract exceed the expected economic benefits to be derived from the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of others costs directly related to fulfilling the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

### 2.20 Employee compensation

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

#### (a) *Defined contribution plans*

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

#### (b) *Employees leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

#### (a) *Short-term employee benefits*

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

### 2.21 Currency translation

#### (a) *Functional and presentation currency*

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2. Material accounting policy information (continued)

### 2.21 Currency translation (continued)

#### (b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss.

All other foreign exchange gains and losses impacting profit or loss are presented in profit or loss within "Other income", if any.

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

### 2.22 Segment reporting

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

### 2.23 Cash and bank balances

Cash and bank balances comprise cash at banks, on hand and short-term bank deposits which are subject to insignificant risk of changes in value.

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value less the portion that are pledged as securities for the banking facilities of the Group.

### 2.24 Share capital

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

### 2.25 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2. Material accounting policy information (continued)

### 2.26 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per shares is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

### 2.27 Dividend income

Dividend income is recognised when the right to receive payment is established.

## 3. Critical accounting estimates, assumptions and judgements

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

### 3.1 Critical judgements in applying the Group's accounting policies

Information about critical judgement in applying the Group's accounting policies, apart from those involving estimations as detailed in Note 3.2, that have the most significant effect on the amounts recognised in the financial statements is as follows:

(a) *Lease term of leasehold property*

The Group's right-of-use assets ("ROU") acquired under leasing agreements are presented together with the owned assets of the same class (Note 15). Details of such leased assets are disclosed in Note 22.

Included in ROU is a piece of leasehold land that includes an extension option for another 20 years. This lease extension is subject to the Group's completion of the proposed Addition & Alternation ("A&A") works on the leasehold land by 14 June 2024. During the financial year, the Group has obtained approval from JTC for an extension of the construction of A&A works and the building. The extension period is granted up to 02 May 2026 for the Group to complete the development and construction of the building.

The Group applies judgement in evaluating whether it is reasonably certain that the extension option for another 20 years would remain in effect. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Group reassesses the lease term for significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend.

As at reporting date, the Group has plans in place to complete the A&A works to fulfil the terms before the extended deadline. Management has assessed and concluded that the lease term should include the 20 years extension.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 3. Critical accounting estimates, assumptions and judgements (continued)

### 3.1 Critical judgements in applying the Group's accounting policies (continued)

#### (b) *Impairment of investments in subsidiaries – Company level*

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments are impaired. The Company applies judgement in their evaluation, among other factors, the duration and extent to which the recoverable amount of an investment in subsidiary is less than its carrying amount.

The Company's carrying amount of investments in subsidiaries as at 31 December 2024 was \$18,850,000 (2023: \$18,850,000) (Note 14).

### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimated uncertainty at the end of the reporting periods that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years are discussed below.

The Group based its assumptions and estimate on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future development however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumption when they occur.

#### (a) *Revenue recognition on construction contracts*

The Group recognises contract revenue over time by reference to the Group's progress towards completing the performance obligation in the contract. The measurement of the progress is determined by reference to either surveys of work performed (output method), or the cost incurred to date relative to total estimated cost (input method) depending on which method commensurate with the pattern of transfer of control to the customer.

For input method, significant judgements are used to estimate these total contract costs to complete and total contract consideration. In making these estimates, management has relied on the expertise of the project directors/managers to determine the progress of the construction and also on past experience of completed projects.

For output method, the recognition of construction revenue and costs requires significant management assumptions, judgements and estimates in determining the measure of progress for the survey of work performed and determining the total contract costs to complete, which were used to determine the provision for onerous contracts and when it is probable that the total contract costs would exceed the total contract revenue and remaining costs. In addition, significant judgements and estimates are required to determine the likelihood of the approvals of the contract modifications by the customers and the final approved amounts.

The carrying amounts of contract assets and contract liabilities arising from construction contracts and facilities management at the end of the reporting period were \$31,991,000 and \$nil (2023: \$20,589,000 and \$3,875,000) respectively.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 3. Critical accounting estimates, assumptions and judgements (continued)

### 3.2 Key sources of estimation uncertainty (continued)

#### (b) Provisions for onerous contracts and other liabilities

The provisions recognised represent management's best estimate of the expected future costs required. Significant estimates and assumptions are made in determining the provisions. Those estimates and assumptions deal with uncertainties such as: changes to timing, extent and costs required. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provisions recognised are periodically reviewed by management and updated based on the facts and circumstances available at that time. Changes to the estimated future costs are recognised in the statements of financial position and consolidated statement of profit or loss with appropriate adjustment to the provision.

Management has assessed and is of the view that a provision for other liabilities of \$1,150,200 (2023: \$nil) is required for the current financial year. No provision for onerous contracts were required for the current and previous financial year.

#### (c) Provision for expected credit losses ("ECLs") of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 24(b).

The carrying amounts of trade receivables and contract assets at the end of the reporting period were \$2,152,000 (2023: \$6,678,000) and \$31,991,000 (2023: \$20,589,000) respectively.

#### (d) Carrying value of leasehold property

The Group carries its leasehold property at revalued amount less accumulated depreciation and any accumulated impairment losses, with an asset re-valuation exercise carried out once every three years to ensure the carrying amount does not differ materially from the fair value of the leasehold property at the end of the reporting period.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 3. Critical accounting estimates, assumptions and judgements (continued)

### 3.2 Key sources of estimation uncertainty (continued)

#### (d) Carrying value of leasehold property (continued)

The latest valuation exercise was carried out for financial year ended 31 December 2024. Management reviews the carrying value of the leasehold property if there is any indication of impairment in its leasehold property by considering local market conditions.

The fair value of leasehold property was determined by independent real estate valuation experts using the direct comparison method.

The determination of the fair value of the leasehold property requires the use of both judgement and estimation, predominantly focusing on the location and categories of the leasehold property to arrive at the valuation of the leasehold property. These estimates are based on local market conditions existing at the end of each reporting date.

The carrying amount of the Group's leasehold property at the end of the reporting period is disclosed in Note 15 to the financial statements.

## 4. 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 product lines. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 (see Note 26).

A disaggregation of the Group's revenue for the year is as follows:

	Group	
	2024	2023
	\$'000	\$'000
<b>Construction contracts</b>		
Mechanical (Singapore)		
– Over time	41,516	52,469
Electrical (Singapore)		
– Over time	–	1,821
	<b>41,516</b>	54,290
<b>Facilities management (Singapore)</b>		
– Over time	5,723	6,590
	<b>5,723</b>	6,590
<b>Investment holding – gains</b>		
– At a point in time	48	100
	<b>47,287</b>	60,980

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 5. Expenses by nature

	Note	2024 \$'000	Group 2023 \$'000
Allowance for expected credit loss:			
– contract assets	13(i)	–	1,915
– trade receivables	12	14	1,191
Fees on audit services paid/payable to:			
– auditor of the Company		88	54
– internal auditor		6	13
Purchases of construction materials		15,938	20,725
Subcontractor charges		13,668	16,419
Worksite expenses		506	303
Provision for other liabilities	17	1,150	–
Depreciation of property, plant and equipment	15	721	754
Employee compensation	6	12,363	14,872
Professional fee		133	256
Insurance		331	323
Workers' dormitory expenses		1,484	1,553
Exchange loss on financial assets, at FVPL	11	–	25
Upkeep of motor vehicles and transportation		207	297
Outsourced supporting services		170	221
Others		484	552
Total cost of construction, selling and distribution, administrative and other operating expenses		<u>47,263</u>	<u>59,473</u>
<b>Finance cost</b>			
Interest expense on:			
– Bank borrowing		264	189
– Loan from a director		54	27
– Loan from a related party		169	59
– Lease liabilities	22(c)	45	23
– Trust receipts		36	24
		<u>568</u>	<u>322</u>

## 6. Employee compensation

	2024 \$'000	Group 2023 \$'000
Wages, salaries and short-term employee benefits	11,936	14,484
Employer's contribution to Central Provident Fund	427	388
	<u>12,363</u>	<u>14,872</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 7. Other income

	Group	
	2024 \$'000	2023 \$'000
Interest income		
– Bank deposits	62	38
Government grant		
– Waiver/rebate foreign worker levy	1	5
– Special Employment Credit (“SEC”)	7	7
– Wage credit from IRAS	43	29
– Job Growth Incentive (“JGI”)	–	22
– Enterprise grant	4	–
Insurance claim	20	–
Trade payables forgiven	118	–
Sales of scrap materials	134	73
Rental income from leasehold property	171	135
Dividend received from financial assets, at FVPL	2	9
Others	40	33
	<b>602</b>	<b>351</b>

Interest income is recognised using the effective interest method.

## 8. Income tax

	Group	
	2024 \$'000	2023 \$'000
Current income tax	–	(3)

The tax on Group’s profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2024 \$'000	2023 \$'000
Profit before income tax	<b>58</b>	1,536
Tax calculated at tax rate of 17%	<b>10</b>	261
Effects of:		
– expenses not deductible for tax purposes	<b>51</b>	58
– income not subject to tax	–	–
– utilisation of previously unrecognised deferred tax assets	<b>(415)</b>	(447)
– deferred tax assets not recognised	<b>113</b>	174
– under/(over) provision in prior financial years	–	(3)
– changes in unrecognised temporary differences	<b>241</b>	–
– others	–	(46)
Tax charge/(credit)	<b>–</b>	<b>(3)</b>

At 31 December 2024, the Group has unutilised tax losses of \$4,542,000 (2023: \$6,268,000) available for set off against future taxable income subject to compliance with relevant tax legislation and agreement with the tax authorities. The potential tax benefit arising from unutilised tax losses have not been recognised due to uncertainty of its recoverability.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 9. Earnings per share

	Group	
	2024	2023
Net profit attributable to equity holders of the Company (\$'000)	<u>58</u>	<u>1,539</u>
Weighted average number of ordinary shares outstanding for basic earnings and diluted earnings per share ('000)	<u>189,824</u>	<u>189,824</u>
Earnings per share (in cents per share)		
– Basic	<u>0.03</u>	<u>0.81</u>
– Diluted	<u>0.03</u>	<u>0.81</u>

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding (excluding treasury shares which has no voting rights) during the financial year.

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Group and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. There are no potential dilutive ordinary shares as at 31 December 2024 and 31 December 2023.

## 10. Cash and bank balances

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Cash on hand	5	6	–	–
Cash at banks	1,457	6,754	83	194
Short-term bank deposits	<u>1,319</u>	<u>2,627</u>	<u>102</u>	<u>–</u>
	<u>2,781</u>	<u>9,387</u>	<u>185</u>	<u>194</u>

Short-term bank deposits of \$1,129,000 (2023: \$1,127,000) are pledged to banks as securities for the banking facilities of the Group. The short-term bank deposits are made for varying periods of between one week and twelve months (2023: one week to twelve months) depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates, at 0.35% – 3.63% per annum (2023: 0.35% – 3.63% per annum).

For the purpose of presenting the consolidated statement of cash flows, the cash and cash equivalents comprise the following:

	Group	
	2024	2023
	\$'000	\$'000
Cash and bank balances (as above)	2,781	9,387
Less: Short-term bank deposits pledged*	<u>(1,129)</u>	<u>(1,127)</u>
Cash and cash equivalents in consolidated statement of cash flows	<u>1,652</u>	<u>8,260</u>

\* The Group has pledged a part of its short-term deposits to fulfil collateral requirements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 11. Other financial assets

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Financial assets, at FVOCI	14	15	-	-
Financial assets, at FVPL	-	665	-	665
	<u>14</u>	<u>680</u>	<u>-</u>	<u>665</u>

### (a) Financial assets, at FVOCI

	Note	Group	
		2024 \$'000	2023 \$'000
<b>Equity securities (quoted)</b>			
At 1 January		15	18
Fair value losses	20(b)(i)	(1)	(3)
At 31 December		<u>14</u>	<u>15</u>

The Group has elected to measure these quoted equity securities at fair value through other comprehensive income due to the Group's intention to hold these equity securities for long-term appreciation.

### (b) Financial assets, at FVPL

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Equity securities (quoted)</b>				
At 1 January	665	584	665	584
Addition	-	-	-	-
Fair value gains	48	97	48	97
Exchange losses on equity securities	-	(25)	-	(25)
Dividend received from equity securities	2	9	2	9
Disposal	(715)	-	(715)	-
At 31 December	<u>-</u>	<u>665</u>	<u>-</u>	<u>665</u>

The Group and Company have elected to measure these quoted equity securities at fair value through profit or loss as it is classified under the investment holding business segment.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 12. Trade and other receivables

### (a) Current

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade receivables				
– Non-related parties	3,351	7,877	–	–
– Subsidiary	–	–	–	10
Less: Allowance for expected credit losses	(1,199)	(1,199)	–	–
Trade receivables – net	<u>2,152</u>	<u>6,678</u>	<u>–</u>	<u>10</u>
Other receivables				
– Non-related parties	10	46	1	–
Deposits to suppliers for purchase of materials	375	486	–	–
Refundable deposits	316	294	–	–
Prepayments	458	643	2	2
	<u>1,159</u>	<u>1,469</u>	<u>3</u>	<u>2</u>
	<u>3,311</u>	<u>8,147</u>	<u>3</u>	<u>12</u>

### (b) Non-current

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Other receivable				
– Refundable deposit	<u>1,200</u>	<u>1,200</u>	<u>–</u>	<u>–</u>

The non-current refundable deposit is an amount of \$1,200,000 (2023: \$1,200,000) which pertains to cash collateral deposited with an insurance company.

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL was as follows:

	Group	
	2024 \$'000	2023 \$'000
At 1 January	1,199	8
Allowance for expected credit losses	14	1,191
Written off	(14)	–
At 31 December	<u>1,199</u>	<u>1,199</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 13. Contract balances

The following table provides information about contract assets and contract liabilities for contracts with customers.

	Note	Group		
		31 December 2024 \$'000	2023 \$'000	1 January 2023 \$'000
Trade receivables	12	2,152	6,678	1,876
Contract assets	13(i)	31,991	20,589	16,076
Contract liabilities	13(ii)	–	(3,875)	(8,423)

### (i) Contract assets

	Group	
	2024 \$'000	2023 \$'000
<b>Current</b>		
Construction contracts		
– Due from customers	31,438	20,450
– Retentions	982	2,054
	<u>32,420</u>	<u>22,504</u>
Less: Allowance for expected credit losses	(1,915)	(1,915)
	<u>30,505</u>	<u>20,589</u>
<b>Non-current</b>		
Construction contracts		
– Retentions	1,486	–
	<u>1,486</u>	<u>–</u>

Contract assets are balances due from customers under construction contracts that relate to the Group's right to consideration for work completed but not yet billed at the reporting date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which its right to consideration become unconditional.

The movement in allowance for expected credit losses of contract assets computed based on lifetime ECL was as follows:

	Group	
	2024 \$'000	2023 \$'000
At 1 January	1,915	–
Allowance for expected credit losses	–	1,915
At 31 December	<u>1,915</u>	<u>1,915</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 13. Contract balances (continued)

### (ii) Contract liabilities

Contract liabilities relate primarily to progress billing issued in excess of the Group's rights to the consideration. The contract liabilities are recognised as revenue when the Group fulfils its performance obligation under the contract with the customer.

	Group	
	2024	2023
	\$'000	\$'000
Construction contracts – due to customers		
At 1 January	<b>(3,875)</b>	(8,423)
Revenue recognised for performance obligation satisfied	<b>3,875</b>	4,548
	<u>–</u>	<u>(3,875)</u>

### (iii) Significant changes in contract assets are explained as follows:

	Group	
	2024	2023
	\$'000	\$'000
Contract assets reclassified to receivables	<b>(19,105)</b>	(14,652)
Performance obligations satisfied	<b>30,507</b>	19,165

### (iv) Remaining performance obligations

The aggregate amount of transaction price allocated to the unsatisfied (or partially satisfied) performance obligations as at 31 December 2024 is \$193,700,000 (2023: \$199,100,000).

The amount of Group's revenue that will be recognised in future periods on these contracts when those remaining performance obligations will be satisfied is analysed as follows:

	Less than 1 year \$'000	Between 1 and 2 years \$'000	More than 2 years \$'000	Total \$'000
<b>Group</b>				
<b>Construction contracts</b>				
As at 31 December 2024	<u>87,500</u>	<u>92,470</u>	<u>13,730</u>	<u>193,700</u>
As at 31 December 2023	<u>41,020</u>	<u>72,620</u>	<u>85,460</u>	<u>199,100</u>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 14. Investments in subsidiaries

	Company	
	2024	2023
	\$'000	\$'000
<i>Unquoted equity investments, at cost</i>	<b>28,450</b>	28,450
Less: Accumulated impairment losses	<b>(9,600)</b>	(9,600)
	<b>18,850</b>	18,850
<b>Accumulated impairment losses</b>		
At 1 January	<b>9,600</b>	9,600
Impairment loss for financial year	<b>–</b>	–
At 31 December	<b>9,600</b>	9,600

The Group had the following subsidiaries as at 31 December 2024 and 2023:

Name	Principal Activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group	
			2024	2023
			%	%
<u>Held by the Company</u>				
Koyo Engineering (S.E. Asia) Pte. Ltd. <sup>(1)</sup>	Providing integrated mechanical and electrical engineering (M&E) services and facilities management services	Singapore	<b>100</b>	100
AVSC Technologies Pte.Ltd. <sup>(1)</sup>	Supply of essential construction materials, including but not limited to reclamation sand, construction sand, armour rock, granite and other aggregates	Singapore	<b>100</b>	100
	Supply and installation of audio, video and security and communication systems			

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 14. Investments in subsidiaries (continued)

Name	Principal Activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group	
			2024 %	2023 %
<u>Held by Koyo Engineering (S.E. Asia) Pte. Ltd.</u>				
Koyo M&E Pte. Ltd. <sup>(1)</sup>	Engineering contract works	Singapore	<b>100</b>	100
Koyo Engineering M&E Pte. Ltd. <sup>(1)</sup>	Environmental engineering work	Singapore	<b>100</b>	100
<u>Held by Koyo Engineering M&amp;E Pte. Ltd.</u>				
Keco Trading <sup>(2) (3)</sup>	General trading of products	Singapore	<b>100</b>	100
<u>Held by AVSC Technologies Pte. Ltd.</u>				
Tuck Hwa Fabrication (S) Pte. Ltd. <sup>(1)(3)</sup>	Building construction, air-conditioner mechanical ventilation system, installation & engineering works	Singapore	<b>100</b>	100

<sup>(1)</sup> Audited by Grant Thornton Audit LLP (2023: audited by UHY Lee Seng Chan & Co).

<sup>(2)</sup> The sole proprietorship is not required to be audited.

<sup>(3)</sup> Not considered a significant subsidiary under Rule 718 of the SGX-ST Listing Manual.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 15. Property, plant and equipment

	Office equipment and tools	Furniture and fittings	Motor vehicles	Computers	Renovation	Leasehold properties Note 15 (a)	Leased office premises	Machinery and equipment	Construction-in-progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>										
<b>2024</b>										
<b>Cost or valuation</b>										
At 1 January	221	69	1,565	522	99	5,650	765	810	114	9,815
Additions	1	3	-	28	-	-	207	17	-	256
Re-measurement of lease	-	-	-	-	-	(650)	-	-	-	(650)
Revaluation surplus	-	-	-	-	-	2,485	-	-	-	2,485
Revaluation adjustment	-	-	-	-	-	(685)	-	-	-	(685)
Written off	(7)	(7)	-	-	(99)	-	(765)	-	-	(878)
At 31 December	215	65	1,565	550	-	6,800	207	827	114	10,343
Representing:										
Cost	215	65	1,565	550	-	-	207	827	114	3,543
Valuation	-	-	-	-	-	6,800	-	-	-	6,800
	215	65	1,565	550	-	6,800	207	827	114	10,343
<b>Accumulated depreciation</b>										
At 1 January	216	69	1,300	522	99	456	698	218	-	3,578
Depreciation charge (Note 5)	3	1	145	28	-	229	150	165	-	721
Written off	(7)	(7)	-	-	(99)	-	(765)	-	-	(878)
Elimination of accumulated depreciation on revaluation	-	-	-	-	-	(685)	-	-	-	(685)
At 31 December	212	63	1,445	550	-	-	83	383	-	2,736
<b>Carrying amount</b>	3	2	120	-	-	6,800	124	444	114	7,607

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

**15. Property, plant and equipment (continued)**

	Office equipment and tools \$'000	Furniture and fittings \$'000	Motor vehicles \$'000	Computers \$'000	Renovation \$'000	Leasehold properties Note 15 (a) \$'000	Leased office premises \$'000	Machinery and equipment \$'000	Construction- in-progress \$'000	Total \$'000
<b>Group</b>										
<b>2023</b>										
<b>Cost or valuation</b>										
At 1 January	221	69	1,525	514	99	5,650	676	258	114	9,126
Additions	–	–	40	8	–	–	89	552	–	689
At 31 December	221	69	1,565	522	99	5,650	765	810	114	9,815
Representing:										
Cost	221	69	1,565	522	99	–	765	810	114	4,165
Valuation	–	–	–	–	–	5,650	–	–	–	5,650
	221	69	1,565	522	99	5,650	765	810	114	9,815
<b>Accumulated depreciation</b>										
At 1 January	211	69	1,120	514	99	228	527	56	–	2,824
Depreciation charge (Note 5)	5	–	180	8	–	228	171	162	–	754
At 31 December	216	69	1,300	522	99	456	698	218	–	3,578
<b>Carrying amount</b>	5	–	265	–	–	5,194	67	592	114	6,237

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 15. Property, plant and equipment (continued)

- (a) Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 22(a).

In year 2021, the Group renegotiated and modified an existing lease contract for leasehold land by extending the lease period for another 20 years. As the extension is not part of the terms and conditions of the original lease contract, it is accounted for as a lease modification with an additional to the right-of-use assets, classified under "Property, plant and equipment".

In accordance with the lease agreement with JTC, the lease period extension on leasehold land is subject to the completion of the proposed Addition & Alteration ("A&A") works on the leasehold land. During the financial year, the Company has obtained the approval from JTC for an extension of the construction of A&A works and the building. The extension period is granted up to 02 May 2026 to complete the development and construction of the building. As at reporting date, the Company has plans in place to complete the A&A works to fulfil the terms before the extended deadline.

- (b) Leasehold property is initially recognised at cost and subsequently measured using the revaluation model in year 2021. The initial revaluation amount has been determined based on valuation performed as at 31 December 2021. During the year, the valuation exercise was further carried out with the market value of S\$6.8 million as at reporting date being determined.

The valuation was performed by Knight Frank Pte Ltd, an independent valuer with recognised and relevant professional qualification and with recent experience in the location and category of the property being valued. The valuation is based on the information available as at the date of valuation and values may change significantly and unexpectedly over a short period of time. Details of valuation techniques and inputs used are disclosed in Note 24(e).

- (c) As at 31 December 2024, the Group has right-of-use assets acquired under leases with an aggregate carrying amount of \$1,020,000 (2023: \$1,714,000).

	<b>Computer \$'000</b>	<b>Motor vehicles \$'000</b>	<b>Total \$'000</b>
<b>Company</b>			
<b>2024 and 2023</b>			
<b>Cost</b>			
At 1 January and 31 December	6	405	411
<b>Accumulated depreciation</b>			
At 1 January and 31 December	6	405	411
<b>Carrying amount</b>	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 16. Trade and other payables

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade payables				
– Non-related parties	9,127	10,047	12	8
– Bills payable	–	1,951	–	–
– Trust receipt	1,484	–	–	–
	<b>10,611</b>	11,998	<b>12</b>	8
Other payables				
– Non-related parties	15	11	–	–
– Subsidiary (non-trade)	–	–	730	1,200
– Amount owing to a director	178	40	–	–
– Loan from a related party (non-trade)	3,728	3,059	–	–
– Loan from a director (non-trade)	3,581	527	–	–
Accruals for operating expenses	2,915	2,997	37	46
	<b>21,028</b>	18,632	<b>779</b>	1,254

The non-trade amount due to a subsidiary and amount owing to a director are unsecured, interest-free and repayable on demand.

Accruals for operating expenses include costs accrued for projects of \$2,348,000 (2023: \$1,630,000) at the end of the reporting period.

Trust receipt bears interest of 5.0% (2023: nil%) per annum and is settled within 120 days (2023: nil days). Trust receipt is secured by corporate guarantees issued by the Company and charge on fixed deposit of a subsidiary placed with a bank.

Bills payable is repayable approximate 2 months (2023: 2 months) from the date the bill is first issued. The carrying amount of the bills payable approximate their fair values due to their short-term maturity. Bills payable bears commission charges at 1/8% (2023: 1/8%) per month. The bills payable pertaining to a subsidiary is supported by a corporate guarantee provided by the Company to a bank given to a subsidiary and a charge on fixed deposit of the subsidiary placed with the bank.

Loan from a related party (non-trade) and a director (non-trade) are interest-bearing at rates ranging from 4.95% per annum to 5.00% per annum, unsecured and repayable within 12 months or when the Company's cash flows permit.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 17. Provisions

	<b>Group</b>	
	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
Provisions	<b>1,150</b>	–

Movement in provisions:

	<b>Provision for onerous contracts \$'000</b>	<b>Provision for other liabilities \$'000</b>	<b>Total \$'000</b>
At 1 January 2023	1,254	466	1,720
Provision utilised	(1,254)	(466)	(1,720)
At 31 December 2023	–	–	–
Addition	–	1,150	1,150
At 31 December 2024	<b>–</b>	<b>1,150</b>	<b>1,150</b>

The Group has recognised a provision for other liabilities in relation to the additional costs required to complete the project in line with contract terms, reflecting timeline adjustments due to external factors and evolving requirements. The provision is made based on management best estimate as at 31 December 2024 and the provision is expected to be utilised within 12 months.

## 18. Borrowings

### (a) Lease liabilities

	<b>Group</b>	
	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
<i>Current</i>		
Lease liabilities	<b>131</b>	163
<i>Non-current</i>		
Lease liabilities	<b>972</b>	1,484
	<b>1,103</b>	1,647

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 18. Borrowings (continued)

### (b) Bank borrowing

	Group	
	2024	2023
	\$'000	\$'000
<i>Current</i>		
Bank borrowing	<u>4,000</u>	<u>1,513</u>
<i>Non-current</i>		
Bank borrowing	<u>–</u>	<u>3,500</u>
	<u><b>4,000</b></u>	<u><b>5,013</b></u>

Bank borrowings comprised revolving credit facility of \$4,000,000 that was disbursed to finance the construction works for projects. Balance of revolving credit facility is repayable over 5 monthly reductions, the first two \$500,000 on 30 June 2025 and 31 July 2025, thereafter 3 monthly reductions of \$1,000,000 each commencing 29 August 2025, with the final reduction on 31 October 2025.

The bank borrowing is secured by a first legal mortgage on the leasehold property of the subsidiary as disclosed in Note 15 to the financial statements, an assignment of project proceeds, a corporate guarantee provided by the Company and a charge on fixed deposits of a subsidiary placed with the bank.

Including the revolving credit facility, the Group has banking facilities up to \$17,570,000 (2023: \$17,570,000). \$5,484,000 (2023: \$6,951,000) has been utilised by the Group as at reporting date (Note 16 and Note 18).

In addition, the Company has also issued corporate guarantees amounting to \$26,500,000 (2023: \$26,300,000) to insurance companies on performance bonds relating to various projects of the subsidiary.

The Company has evaluated both the fair values of the corporate guarantees and the consequential liabilities derived from its guarantees to the banks/financial institutions with regard to the subsidiary and are of the opinion that they are minimal. The subsidiary for which the guarantees were provided is in favourable equity position and has sufficient financial capabilities to meet its contractual cash flows obligation in the near future, with no history of default in the payment of borrowings and credit facilities.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 18. Borrowings (continued)

A reconciliation of liabilities arising from financing activities is as follows:

Group	Note	Non-cash changes					
		1 January 2024 \$'000	Cash flows \$'000	Additions \$'000	Accretion of interest \$'000	Re- measurement of lease \$'000	31 December 2024 \$'000
<b>Liabilities</b>							
– Lease liabilities	18(a)	1,647	(224)	207	45	(572)	1,103
– Bank borrowing	18(b)	5,013	(1,277)	–	264	–	4,000
– Loan from a director	16	527	3,000	–	54	–	3,581
– Loan from a related party	16	3,059	500	–	169	–	3,728
		<u>10,246</u>	<u>1,999</u>	<u>207</u>	<u>532</u>	<u>(572)</u>	<u>12,412</u>

  

Group	Note	Non-cash changes					
		1 January 2023 \$'000	Cash flows \$'000	Additions \$'000	Accretion of interest \$'000	Re- measurement of lease \$'000	31 December 2023 \$'000
<b>Liabilities</b>							
– Lease liabilities	18(a)	1,815	(280)	89	23	–	1,647
– Bank borrowing	18(b)	–	4,824	–	189	–	5,013
– Loan from a director	16	–	500	–	27	–	527
– Loan from a related party	16	–	3,000	–	59	–	3,059
– Trust receipts	16	555	(579)	–	24	–	–
		<u>2,370</u>	<u>7,465</u>	<u>89</u>	<u>322</u>	<u>–</u>	<u>10,246</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 19. Share capital and treasury shares

### (a) Share capital

	2024		2023	
	No. of shares '000	\$'000	No. of shares '000	\$'000
<b>Group</b>				
Issued and fully paid ordinary shares				
At 1 January/31 December	<u>196,124</u>	<u>4,477</u>	<u>196,124</u>	<u>4,477</u>
<b>Company</b>				
Issued and fully paid ordinary shares				
At 1 January/31 December	<u>196,124</u>	<u>40,072</u>	<u>196,124</u>	<u>40,072</u>

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

### **Reverse acquisition**

At Group level

The acquisition of Koyo Engineering (S.E. Asia) Pte. Ltd. ("Koyo Engineering") in 2009 has been accounted for as a reverse acquisition in the consolidated financial statements of the Group. Koyo Engineering, which is the legal subsidiary the ("Acquired Group") is considered the acquirer for accounting purposes. Accordingly, the statements of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement of the Group have been prepared as a continuation of Koyo Engineering's financial statements.

### (b) Treasury shares

	Group and Company			
	2024		2023	
	No. of shares '000	\$'000	No. of shares '000	\$'000
At 1 January and 31 December	<u>(6,300)</u>	<u>(630)</u>	<u>(6,300)</u>	<u>(630)</u>

Treasury shares relate to ordinary shares of the Company that is held by the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 20. Other reserves

	<b>Group</b>	
	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
<b>(a) Composition:</b>		
Fair value reserve	<b>(267)</b>	(266)
Premium paid on acquisition of non-controlling interests	<b>(2)</b>	(2)
Asset revaluation reserve	<b>4,394</b>	1,909
	<b>4,125</b>	1,641
<b>(b) Movements:</b>		
<b>(i) Fair value reserve</b>		
At 1 January	<b>(266)</b>	(263)
Investment securities		
– Fair value gains/(losses)	<b>(1)</b>	(3)
At 31 December	<b>(267)</b>	(266)
<b>(ii) Premium paid on acquisition of non-controlling interests</b>		
At 1 January and 31 December	<b>(2)</b>	(2)
<b>(iii) Asset revaluation reserve</b>		
At 1 January	<b>1,909</b>	1,909
Revaluation gains	<b>2,485</b>	–
At 31 December	<b>4,394</b>	1,909

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 20. Other reserves (continued)

Other reserves are non-distributable.

### (i) Fair value reserve

Fair value reserve represents the cumulative fair value changes, net of tax, of equity securities at fair value through other comprehensive income until they are disposed of or impaired.

### (ii) Premium paid on acquisition of non-controlling interests

The reserve represents the difference between the fair value of the consideration paid on acquisition of non-controlling interests and the carrying value of the additional interests acquired.

### (iii) Asset revaluation reserve

The asset revaluation reserve represents increases in the fair value of leasehold property, net of tax, and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in other comprehensive income.

## 21. Retained profits/(accumulated losses)

Retained profits of the Group's entities are distributable.

## 22. Lease – The Group as a lessee

### Nature of the Group's leasing activities

#### Right-of-use Assets – Other/Land

The Group leases operation space for the use on office premises and leases land for leasehold property and a motor vehicle.

#### Motor vehicle

The Group has lease contracts for a motor vehicle. The Group's obligations under these lease is secured by the lessor's title to the leased asset. The Group is restricted from assigning and subleasing the leased asset.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 22. Lease – The Group as a lessee (continued)

### (a) Carrying amount

#### ROU assets classified within Property, plant and equipment

Group	Leased office premises \$'000	Leasehold properties \$'000	Motor vehicles \$'000	Total \$'000
<b>2024</b>				
<b>Cost or valuation</b>				
At 1 January	765	1,806	341	2,912
Addition	207	–	–	207
Derecognition of ROU assets due to end of lease term	–	–	(341)	(341)
Re-measurement of lease	–	(650)	–	(650)
Revaluation adjustment	–	(260)	–	(260)
Written off	(765)	–	–	(765)
31 December	207	896	–	1,103
<b>Accumulated depreciation</b>				
At 1 January	698	297	205	1,200
Other adjustments	–	(77)	–	(77)
Depreciation	150	40	–	190
Derecognition of ROU assets due to end of lease term	–	–	(205)	(205)
Elimination of accumulated depreciation on revaluation	–	(260)	–	(260)
Written off	(765)	–	–	(765)
At 31 December	83	–	–	83
<b>Carrying amount</b>	<b>124</b>	<b>896</b>	<b>–</b>	<b>1,020</b>
<b>2023</b>				
<b>Cost or valuation</b>				
At 1 January	676	1,806	341	2,823
Addition	89	–	–	89
31 December	765	1,806	341	2,912
<b>Accumulated depreciation</b>				
At 1 January	527	209	136	872
Depreciation	171	86	69	326
At 31 December	698	295	205	1,198
<b>Carrying amount</b>	<b>67</b>	<b>1,511</b>	<b>136</b>	<b>1,714</b>

The right-of-use asset relating to leasehold land is included within leasehold properties presented under property, plant and equipment (Note 15). Leasehold land and leasehold property on the leasehold land, collectively known as “leasehold properties”, are stated at fair value and has a carrying amount at the reporting date of \$6,800,000 (2023: \$5,194,000).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 22. Lease – The Group as a lessee (continued)

### (b) Lease liabilities

The carrying amounts of lease liabilities during the year are disclosed in Note 18 and the maturity analysis of lease liabilities is disclosed in Note 24.

### (c) Amounts recognised in profit or loss

	Note	2024 \$'000	2023 \$'000
Depreciation of right-of-use assets		190	326
Interest expense on lease liabilities	5	45	23
Lease expense not capitalised in lease liabilities:			
– Expenses relating to low-value assets		<u>2</u>	<u>12</u>
Total amount recognised in profit or loss		<u><u>237</u></u>	<u><u>361</u></u>

### (d) Total cash outflow

The Group had total cash outflows for leases of \$226,000 (2023: \$292,000) in 2024.

### (e) Extension options

The office lease contains extension option exercisable by the Group up to 2 years after the end of the non-cancellable contract period. This extension option is exercisable by the Group and not by the lessor. The extension option is used by the Group to provide operation flexibility in terms of managing the assets used in the Group's operation. The Group assess at the lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the option if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future (undiscounted) lease payments, should it exercise the extension option, to be \$211,200.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 23. Capital commitments

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

	Group	
	2024	2023
	\$'000	\$'000
Capital commitment in respect of:		
Purchase of machineries	7	24
Assets under construction	99	99
	<u>106</u>	<u>123</u>

## 24. Financial risk management

### Financial risk factors

The Group's activities expose it to market risk (including currency risk, price risk and interest rate risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies seek to ensure that adequate financial resources are available for the Group's business whilst managing its market risk, credit risk, liquidity risk and capital risk. There has been no change to the Group's exposures to these financial risks or the manner in which it manages and measures the risk.

### (a) Market risk

#### (i) Currency risk

Foreign currency risk arises from transactions denominated in currencies other than the functional currency of the Group and Company. The Group's and the Company's business operations are not exposed to significant foreign currency risks as it has no significant transactions denominated in foreign currencies.

#### (ii) Price risk

The Group and Company is exposed to equity price risk arising from its investments in quoted equity securities. These securities are quoted on the Exchange Securities and are classified as investment securities. To manage its price risk arising from its investments in equity securities, the Group and Company diversifies its portfolio, where appropriate.

If prices for equity securities changed by 10% (2023: 10%) with all other variables including tax rate being held constant, the effects on profit after tax and other comprehensive income is not expected to be significant.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 24. Financial risk management (continued)

### Financial risk factors (continued)

#### (a) Market risk (continued)

##### (iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group and Company's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its variable interest rate instruments such as bank borrowings, loan from a director and a related party and trust receipt.

Interest rate risk is managed by the Group on an ongoing basis with the primary objective of limiting the extent to which interest expense could be affected by an adverse movement in interest rates.

At the reporting date, if the interest rates had been 75 (2023: 75) basis points higher/lower with all other variables held constant, the Group's profit before tax would have been \$87,000 (2023: \$44,000) lower/higher arising mainly as a result of higher/lower interest expenses on floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment. The Company is not exposed to significant interest rate risk as it does not hold any variable interest-bearing financial instruments.

#### (b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are cash and bank balances, trade and other receivables and contract assets. For trade and other receivables, the Group adopts the policy of dealing only with customers and counterparties of appropriate credit history to mitigate credit risk. Cash and bank balances are held with financial institutions which have high credit ratings.

The Group manages credit risk by monitoring credit-worthiness and limiting the aggregate risk to any individual counterparty.

The Group and the Company do not hold any collateral from its customers. The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 60 days (2023: 60 days) when they fall due, which are derived based on the Group's historical information.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 24. Financial risk management (continued)

### Financial risk factors (continued)

#### (b) Credit risk (continued)

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the Group and changes in the operating results of the debtor

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- Is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 24. Financial risk management (continued)

### Financial risk factors (continued)

#### (b) Credit risk (continued)

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

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 24. Financial risk management (continued)

### Financial risk factors (continued)

#### (b) Credit risk (continued)

The table below details the credit quality of the Group and Company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Note	Category	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
<b>Group</b>						
<b>31 December 2024</b>						
Trade receivables	12	Note 1	Lifetime ECL (simplified)	3,351	(1,199)	2,152
Other receivables	12	I	12-month ECL	10	–	10
Refundable deposits	12	I	12-month ECL	1,516	–	1,516
Contract assets	13	Note 1	Lifetime ECL (simplified)	33,906	(1,915)	31,991
Cash and bank balances	10	I	12-month ECL	2,781	–	2,781
					<u>(3,114)</u>	
<b>31 December 2023</b>						
Trade receivables	12	Note 1	Lifetime ECL (simplified)	7,877	(1,199)	6,678
Other receivables	12	I	12-month ECL	46	–	46
Refundable deposits	12	I	12-month ECL	1,494	–	1,494
Contract assets	13	Note 1	Lifetime ECL (simplified)	22,504	(1,915)	20,589
Cash and bank balances	10	I	12-month ECL	9,387	–	9,387
					<u>(3,114)</u>	
<b>Company</b>						
<b>31 December 2024</b>						
Other receivables	12	I	12-month ECL	1	–	1
Cash and bank balances	10	I	12-month ECL	185	–	185
					<u>–</u>	
<b>31 December 2023</b>						
Trade receivables	12	Note 1	Lifetime ECL (simplified)	10	–	10
Cash and bank balances	10	I	12-month ECL	194	–	194
					<u>–</u>	

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 24. Financial risk management (continued)

### Financial risk factors (continued)

#### (b) Credit risk (continued)

##### Trade receivables and contract assets (Note 1)

The Group and Company use a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets.

In measuring the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate to unbilled work in progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group and Company determine the expected credit losses by using a provision 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 trade receivables is presented based on their past due status in terms of the provision matrix.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 24. Financial risk management (continued)

### Financial risk factors (continued)

#### (b) Credit risk (continued)

Group	Contract assets			Total \$'000
	≤ 1 year \$'000	≥ 1 year \$'000	Between 2 and 5 years \$'000	
<b>31 December 2024</b>				
ECL rate	–	100%	–	
Estimated total gross carrying amount at default	<b>31,991</b>	<b>1,915</b>	–	<b>33,906</b>
ECL	–	<b>(1,915)*</b>	–	<b>(1,915)</b>
				<b>31,991</b>
<b>31 December 2023</b>				
ECL rate	–	100%	–	
Estimated total gross carrying amount at default	20,454	1,915	135	22,504
ECL	–	<b>(1,915)*</b>	–	<b>(1,915)</b>
				<b>20,589</b>

\* due to main contractor undergone liquidation

#### Other receivables and refundable deposits

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

#### Cash and bank balances

The Group and Company mitigates its credit risks by transacting only with counterparties who have high credit ratings determined by international credit-rating agencies. Therefore, allowance for expected credit loss is negligible.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 24. Financial risk management (continued)

### Financial risk factors (continued)

#### (b) Credit risk (continued)

##### Credit risk concentration profile

The trade receivables of the Group comprise two debtors (2023: two debtors) that contributed 57% (2023: 93%) of trade receivables. All customers are located in Singapore.

#### (c) Liquidity risk

The Group and the Company manage the liquidity risk by maintaining sufficient cash and bank balances to enable them to meet their normal operating commitments having adequate amount of committed credit facilities. At the end of the reporting period, assets held by the Group and the Company for managing liquidity risk included cash at banks and short-term deposits as disclosed in Note 10.

	Carrying amount \$'000	Contractual cashflow \$'000	Within 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000
<b>2024</b>					
<b>Group</b>					
<b>Financial assets</b>					
Cash and bank balances	2,781	2,781	2,781	-	-
Trade and other receivables*	3,678	3,678	2,478	1,200	-
Financial assets, at FVOCI	14	14	14	-	-
	<u>6,473</u>	<u>6,473</u>	<u>5,273</u>	<u>1,200</u>	<u>-</u>
<b>Financial liabilities</b>					
Trade and other payables	21,028	21,028	21,028	-	-
Lease liabilities	1,103	1,574	172	358	1,044
Bank borrowing	4,000	4,000	4,000	-	-
	<u>26,131</u>	<u>26,602</u>	<u>25,200</u>	<u>358</u>	<u>1,044</u>
<b>Company</b>					
<b>Financial assets</b>					
Cash and bank balances	185	185	185	-	-
Trade and other receivables**	1	1	1	-	-
	<u>186</u>	<u>186</u>	<u>186</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities</b>					
Trade and other payables	779	779	779	-	-

\* excludes deposits to suppliers for purchase of materials and prepayments

\*\* excludes prepayments

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 24. Financial risk management (continued)

### Financial risk factors (continued)

#### (c) Liquidity risk (continued)

	Carrying amount \$'000	Contractual cashflow \$'000	Within 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000
<b>2023</b>					
<b>Group</b>					
<b>Financial assets</b>					
Cash and bank balances	9,387	9,387	9,387	–	–
Trade and other receivables*	8,218	8,218	7,018	1,200	–
Financial assets, at FVOCI	15	15	15	–	–
Financial assets, at FVPL	665	665	665	–	–
	<u>18,285</u>	<u>18,285</u>	<u>17,085</u>	<u>1,200</u>	<u>–</u>
<b>Financial liabilities</b>					
Trade and other payables	18,632	18,632	18,632	–	–
Lease liabilities	1,647	2,437	175	457	1,805
Bank borrowing	5,013	5,013	1,513	3,500	–
	<u>25,292</u>	<u>26,082</u>	<u>20,320</u>	<u>3,957</u>	<u>1,805</u>
<b>Company</b>					
<b>Financial assets</b>					
Cash and bank balances	194	194	194	–	–
Trade and other receivables**	10	10	10	–	–
Financial assets, at FVPL	665	665	665	–	–
	<u>869</u>	<u>869</u>	<u>869</u>	<u>–</u>	<u>–</u>
<b>Financial liabilities</b>					
Trade and other payables	<u>1,254</u>	<u>1,254</u>	<u>1,254</u>	<u>–</u>	<u>–</u>

\* excludes deposits to suppliers for purchase of materials and prepayments

\*\* excludes prepayments



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 24. Financial risk management (continued)

### Financial risk factors (continued)

#### (d) Capital risk

The Group's and Company's objectives when managing capital are to safeguard the Group's and Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. The capital structure of the Group and Company comprises issued share capital and retained profits. In order to maintain or achieve an optimal capital structure, the Group and Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain borrowings or sell assets to increase the working capital. No changes were made in the objectives, policies or procedures during the financial years ended 31 December 2024 and 31 December 2023.

Management monitors capital based on the financial position of the Group and Company. The Group and Company has positive net assets and maintain low bank borrowings and leases. Future decisions to raise capital and funds will be made with the objective to maintain positive working capital structure.

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Net assets	<u>19,645</u>	<u>17,103</u>	<u>18,259</u>	<u>18,467</u>

The Group and the Company have no externally imposed capital requirements for the financial years ended 31 December 2024 and 2023 except for certain financial covenants as stipulated by its bankers in respect of banking facilities granted to the Group. The Group's overall strategy remains unchanged from 2023.

#### (e) Fair value measurements

The following table presents assets and liabilities measured and carried at fair values and classified by level of the following fair value measure hierarchy:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Except as disclosed in the respective notes, the carrying amounts of the financial assets and financial liabilities including cash and bank balances, trade and other receivables and trade and other payables, not measured at fair value and with maturity less than one year approximate their respective fair values due to the relative short-term maturity of these financial instruments.

The carrying amount of trade and other receivables and bank borrowings with maturity more than one year is expected to approximate to their respective fair value as the prevailing interest rates approximate market interest rates.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 24. Financial risk management (continued)

### Financial risk factors (continued)

#### (e) Fair value measurements (continued)

The fair value of finance assets, at FVOCI and FVPL and leasehold property are as disclosed:

	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	Total \$'000
<b>Group</b>				
<b>31 December 2024</b>				
<b>Financial assets</b>				
Financial assets, at FVOCI (Quoted)	14	–	–	14
Financial assets, at FVPL (Quoted)	–	–	–	–
	<u>14</u>	<u>–</u>	<u>–</u>	<u>14</u>
<b>Non-financial assets</b>				
<b>Fair value measurements</b>				
Leasehold property (Note 15) *	–	6,800	–	6,800
<b>Total</b>	<u>14</u>	<u>6,800</u>	<u>–</u>	<u>6,814</u>
<b>31 December 2023</b>				
<b>Financial assets</b>				
Financial assets, at FVOCI (Quoted)	15	–	–	15
Financial assets, at FVPL (Quoted)	665	–	–	665
	<u>680</u>	<u>–</u>	<u>–</u>	<u>680</u>
<b>Non-financial assets</b>				
<b>Fair value measurements</b>				
Leasehold property (Note 15)*	–	5,194	–	5,194
<b>Total</b>	<u>680</u>	<u>5,194</u>	<u>–</u>	<u>5,874</u>

\* Leasehold property is subsequently carried at the revalued amount less accumulated depreciation.

(i) Level 2 fair value measurement

The valuation of leasehold property is based on comparable market transactions that consider sales of similar properties that have been transacted in the open market.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 24. Financial risk management (continued)

### Financial risk factors (continued)

#### (e) Fair value measurements (continued)

	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	Total \$'000
<b>Company</b>				
<b>31 December 2024</b>				
<b>Financial assets</b>				
Financial assets, at FVPL (Quoted)	—	—	—	—
<b>31 December 2023</b>				
<b>Financial assets</b>				
Financial assets, at FVPL (Quoted)	665	—	—	665

#### (f) Financial instruments by category

The carrying amount of the financial assets and financial liabilities are as follows:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Financial assets at amortised cost	6,459	17,605	186	204
Financial asset at FVOCI	14	15	—	—
Financial asset at FVPL	—	665	—	665
Financial liabilities at amortised cost	25,028	23,645	779	1,254

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 25. Related party transactions

No transactions took place between the Group and related parties other than those disclosed elsewhere in the financial statements which included the followings:

- (a) Outstanding balances as at 31 December 2024, arising from sales/purchases of goods and services, are unsecured and receivable/payable within 12 months (2023: 12 months) from the end of reporting period are disclosed in Notes 12 and 16 to the financial statements.
- (b) Key management remuneration

The key management remuneration which included in employee compensation as disclosed in Note 6 to the financial statements, representing directors' and other key management personnel's are as follows:

	<b>Group</b>	
	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
Directors' fees	<b>84</b>	104
Salaries and short-term employee benefits	<b>2,527</b>	2,347
Employer's contribution to Central Provident Fund	<b>164</b>	160
	<b><u>2,775</u></b>	<u>2,611</u>

The above includes total remuneration to directors of the Company and its subsidiaries amounting to \$1,039,000 (2023: \$1,049,000).

## 26. Segment information

The Board of Directors has determined the operating segments based on geographic and business segment perspective. The Board of Directors comprise of Executive and Non-Executive Directors.

Geographically, all the Group's operations are located in Singapore.

The Group is organised into four operating divisions – Mechanical Engineering, Electrical Engineering, Facilities Management and Investment Holding Business.

The principal services of each of these divisions are as follows:

- (i) Mechanical Engineering – design and install air-conditioning and mechanical ventilation, plumbing and sanitary installation, fire prevention and protection system as well as integrated systems.
- (ii) Electrical Engineering – design and install high and low tension electrical distribution systems, as well as communications, audio-visual and securities systems.
- (iii) Facilities Management – provide maintenance, repair and replacement services for commercial buildings, hotels, schools and universities.
- (iv) Investment Holding Business – fair value gains/(losses) through profit or loss in quoted equity securities at fair value through profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 26. Segment information (continued)

The segment information provided to the Board of Directors for the reportable segments are as follows:

	<b>Mechanical Engineering \$'000</b>	<b>Electrical Engineering \$'000</b>	<b>Facilities Management \$'000</b>	<b>Investment holding \$'000</b>	<b>Total \$'000</b>
<b>Group</b>					
<b>2024</b>					
<b>Revenue</b>					
Revenue from external parties	<u>41,516</u>	<u>–</u>	<u>5,723</u>	<u>48</u>	<u>47,287</u>
Gross profit	<u>6,639</u>	<u>96</u>	<u>3,117</u>	<u>48</u>	<u>9,900</u>
Segment assets	<u>33,545</u>	<u>2</u>	<u>990</u>	<u>–</u>	<u>34,537</u>
Segment liabilities	<u>10,924</u>	<u>245</u>	<u>769</u>	<u>–</u>	<u>11,938</u>
<b>2023</b>					
<b>Revenue</b>					
Revenue from external parties	<u>52,469</u>	<u>1,821</u>	<u>6,590</u>	<u>100</u>	<u>60,980</u>
Gross profit/(loss)	<u>12,036</u>	<u>(642)</u>	<u>3,465</u>	<u>100</u>	<u>14,959</u>
Segment assets	<u>26,080</u>	<u>1</u>	<u>1,686</u>	<u>665</u>	<u>28,432</u>
Segment liabilities	<u>13,970</u>	<u>946</u>	<u>600</u>	<u>–</u>	<u>15,516</u>

Revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the statement of profit or loss and other comprehensive income.

The Board of Directors assesses the performance of the operating segments based on gross profit. This measurement basis excludes other income, operating expenses and finance expenses from the operating segments.

(a) A reconciliation of gross profit to profit before income tax is provided as below:

	<b>Group</b>	
	<b>2024 \$'000</b>	2023 \$'000
Gross profit for reportable segments	<b>9,900</b>	14,959
Other income	<b>602</b>	351
Selling and distribution expenses	<b>(133)</b>	(110)
Allowance for expected credit losses	<b>(14)</b>	(3,106)
Administrative expenses	<b>(9,362)</b>	(9,744)
Other operating expenses	<b>(367)</b>	(492)
Finance expenses	<b>(568)</b>	(322)
Profit before income tax	<u><b>58</b></u>	<u>1,536</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 26. Segment information (continued)

- (b) Reportable segments' assets are reconciled to total assets as follows:

The amounts reported to the Board of Directors with respect to the total assets are measured in a manner consistent with that of the financial statements. Segment assets comprise mainly trade receivables but do not include cash and bank balances, other receivables, investment securities and property, plant and equipment.

	Group	
	2024	2023
	\$'000	\$'000
Segments' assets for reportable segments	<b>34,537</b>	28,432
Other assets		
Unallocated:		
Cash and bank balances	<b>2,781</b>	9,387
Other receivables and inventories	<b>1,987</b>	2,199
Other financial assets	<b>14</b>	15
Property, plant and equipment	<b>7,607</b>	6,237
	<b>46,926</b>	46,270

- (c) Reportable segments' liabilities are reconciled to total liabilities as follows:

The amounts reported to the Board of Directors with respect to the total liabilities are measured in a manner consistent with that of the financial statements. Segment liabilities comprise mainly trade payables but do not include other payables, current income tax liabilities and lease liabilities.

	Group	
	2024	2023
	\$'000	\$'000
Segments' liabilities for reportable segments	<b>11,938</b>	15,516
Other liabilities		
Unallocated:		
Other payables	<b>2,752</b>	3,364
Lease liabilities	<b>1,103</b>	1,647
Loan from a related party	<b>3,729</b>	3,059
Loan from a director	<b>3,581</b>	527
Bank borrowing	<b>4,000</b>	5,013
Amount owing to a director	<b>178</b>	41
Current income tax liabilities	-	-
	<b>27,281</b>	29,167

The Group is headquartered and only has operations in Singapore. Accordingly, no geographical segment information is presented.

Revenue of approximately \$47,009,000 (2023: \$55,179,000) are derived from four (2023: three) external customers. This revenue is attributable to the mechanical engineering segment and facilities management segment.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 27. Subsequent events

Subsequent to reporting date, one of the Group's subsidiaries is in the midst of finalising new banking facilities for project financing. The bank facilities are floating rate debt instruments. The letter of offer for the banking facilities has been received as of the date of the signing of the financial statements.

## 28. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Koyo International Limited on 8 April 2025.

# STATISTICS OF SHAREHOLDINGS

AS AT 25 MARCH 2025

Issued and fully paid-up share capital	– S\$39,442,252
Number of issued shares (excluding treasury shares and subsidiary holdings)	– 189,823,497 (with voting rights)
Class of shares	– Ordinary shares
Voting rights	– One (1) vote per ordinary share
Number of treasury shares and percentage	– 6,300,000 (3.32%)
Number of subsidiary holdings and percentage	– Nil

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	21	2.43	1,004	0.00
100 – 1,000	122	14.14	59,154	0.03
1,001 – 10,000	317	36.73	1,599,875	0.84
10,001 – 1,000,000	388	44.96	28,368,211	14.95
1,000,001 AND ABOVE	15	1.74	159,795,253	84.18
<b>TOTAL</b>	<b>863</b>	<b>100.00</b>	<b>189,823,497</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	EST OF FOO CHEK HENG, DEC'D	72,725,500	38.31
2	SALIX CAPITAL PTE LTD	49,449,500	26.05
3	TAI HO FAH	7,741,600	4.08
4	TAI CHIEW SHAM	6,551,800	3.45
5	DBS NOMINEES (PRIVATE) LIMITED	4,164,500	2.19
6	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	3,760,653	1.98
7	SANTO PERRY MICHAEL ALEXANDER	2,615,000	1.38
8	LOH SOO SENG	2,244,600	1.18
9	ONG SWEE GUAN	2,165,250	1.14
10	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,834,250	0.97
11	CHEW THIAM KWEE	1,656,000	0.87
12	HSBC (SINGAPORE) NOMINEES PTE LTD	1,500,000	0.79
13	GOH GUAN SIONG (WU YUANXIANG)	1,207,700	0.64
14	LIM SIN TAT	1,178,600	0.62
15	ONG LAY BOON	1,000,300	0.53
16	ABN AMRO CLEARING BANK N.V.	960,000	0.51
17	YEO WEI HUANG	820,000	0.43
18	GORDON CAI ZHEN QIANG OR WILSON CAI WEICHENG	800,000	0.42
19	YEO GUAT KWANG	790,000	0.42
20	TAN KIM YEOW	700,000	0.37
<b>TOTAL</b>		<b>163,865,253</b>	<b>86.33</b>



# STATISTICS OF SHAREHOLDINGS

AS AT 25 MARCH 2025

## Substantial Shareholders

(As shown in the Register of Substantial Shareholders as at 25 March 2025)

Name of Shareholders	Number of Shares			
	Direct Interest	Deemed Interest	Total	%
Est of Foo Chek Heng, Dec'd <sup>(1)</sup>	72,725,500	400,000	73,125,500	38.52
Salix Capital Pte Ltd <sup>(2)</sup>	49,449,500	–	49,449,500	26.05
Foo Suay Lun	–	49,449,500	49,449,500	26.05

### Notes:

- (1) The Estate of Foo Chek Heng, deceased, is deemed interested in 400,000 shares held by his wife, Mdm Dalat Kositanon.  
(2) Salix Capital Pte Ltd is 100% owned by Foo Suay Lun, Executive Director.

## Confirmation of Compliance with Rule 723 of Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“Catalist Rules”)

Based on information available to the Company as at 25 March 2025 approximately 35.43% of the issued ordinary shares of the Company were held by the public and therefore, the Company is in compliance with Rule 723 of the Catalist Rules.

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of Koyo International Limited (“**Company**”) will be convened and held at Lifelong Learning Institute, Room 07-01 (Lift Lobby A) at 11 Eunos Road 8, Singapore 408601 on Friday, 25 April 2025 at 3.00 p.m. (Singapore time) to transact the following businesses:

## AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements and the Directors’ Statement of the Company and the Group for the financial year ended 31 December 2024 together with the Auditors’ Report thereon.

**(Resolution 1)**

2. To approve the payment of Directors’ fees of S\$84,000 for the financial year ending 31 December 2025, payable quarterly in arrears. (FY2024: S\$104,000)

**(Resolution 2)**

3. (a) To re-elect Mr. Foo Suay Lun who is retiring by rotation pursuant to Regulation 100 of the Company’s Constitution, as Director of the Company.

**(Resolution 3)**

- (b) To note the retirement of Mr. Wong Loke Tan as a Director of the Company pursuant to Regulation 100 of the Company’s Constitution.

- (c) To re-elect Ms. Elaine Soong Siew Kim who is retiring pursuant to Regulation 103 of the Company’s Constitution, as Director of the Company.

**(Resolution 4)**

[See Explanatory Note (1) & (2)]

4. To re-appoint Messrs Grant Thornton Audit LLP as auditors and to authorise the Directors to fix their remuneration.

**(Resolution 5)**

## AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions (with or without amendments) as Ordinary Resolutions:

5. Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act 1967 of Singapore (“**Companies Act**”) and Rule 806 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual – Section B: Rules of Catalist (“**Catalist Rules**”)

THAT the Directors be and are hereby authorised pursuant to the provisions of Section 161 of the Companies Act and Rule 806 of the Catalist Rules to:

- (a) (i) allot and issue shares in the capital of the Company (“**Shares**”) 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,

## NOTICE OF ANNUAL GENERAL MEETING

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may deem fit; and

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

PROVIDED ALWAYS THAT:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed one hundred percent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed fifty percent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below) or such other limit as may be prescribed by the Catalist Rules as at the date of this resolution in force;
- (2) (subject to the manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) that may be issued under sub-paragraph (1), the percentage of the total issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
- (a) new Shares arising from the conversion or exercise of any convertible securities;
  - (b) new Shares arising from exercising share options or vesting of share awards, provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (c) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with sub paragraphs 6(2)(a) or 6(2)(b) are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the mandate.

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), and all applicable legal requirements under the Companies Act and the Constitution for the time being of the Company; and
- (4) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the Company's next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (3)]

**(Resolution 6)**

# NOTICE OF ANNUAL GENERAL MEETING

## 6. Proposed Renewal of Share Buyback Mandate

THAT:

- (a) for the purposes of Sections 76C and 76E of the Companies Act 1967 of Singapore, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares in the capital of the Company ("**Shares**"), not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price or price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), and such purchases and acquisitions of the Shares may be effected by way of:-
- (i) Market purchases ("**Market Purchases**") transacted on the SGX-ST's through the ready market trading system or, as the case may be, any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
  - (ii) Off-market purchases ("**Off-Market Purchases**") effected otherwise than on the SGX-ST in accordance with an equal access scheme(s), as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Catalist Rules;

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

- (b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buyback Mandate shall, at the discretion of the Directors of the Company, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;
- (c) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the Relevant Period (as hereinafter defined) and expiring on the earliest of:
- (i) the date on which the next AGM is held or required by law to be held;
  - (ii) the date on which the Share Buybacks are carried out to the full extent mandated; or
  - (iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Shareholders in a general meeting.
- (d) for the purposes of this Resolution:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five days on which the SGX-ST is open for trading in securities ("**Market Days**") and which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase, or as the case may be, the Day of the Making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five-day period and the day on which the purchases are made;

## NOTICE OF ANNUAL GENERAL MEETING

“**Day of the Making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders pursuant to the Off-Market Purchase, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

“**Maximum Limit**” means ten percent (10%) of the total issued Shares of the Company as at the date of the passing of this ordinary resolution, unless the Company has effected a reduction of the share capital of the Company (other than a reduction by virtue of a share buyback) in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereinafter defined) in which event the issued Shares of the Company shall be taken to be the total number of the issued Shares as altered by such capital reduction (the total number of Shares shall exclude any Shares that may be held as treasury shares by the Company from time to time);

“**Maximum Price**” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) which shall not exceed: (i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and (ii) in the case of an Off-Market Purchase, pursuant to an equal access scheme, 120% of the Average Closing Price; and

“**Relevant Period**” means the period commencing from the date of passing this ordinary resolution and expiring on the earliest of the date on which the next AGM of the Company is held or required by law to be held, the date on which the Share Buybacks are carried out to the full extent of the Share Buyback Mandate or date the Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting;

- (e) the number of Shares which may in aggregate be purchased or acquired by the Company during the Relevant Period shall be subject to the Maximum Limit;
- (f) the Directors of the Company and/or any of them be and are hereby authorised to deal with the Shares purchased by the Company, pursuant to the Share Buyback Mandate in any manner as they think fit, which is permitted under the Companies Act; and
- (g) the Directors of the Company and/or any of them be and are hereby authorised, empowered to complete and do and execute all such things and acts (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this ordinary resolution.

**(Resolution 7)**

### By Order of the Board

Cheok Hui Yee  
Kong Wei Fung  
Company Secretaries  
9 April 2025

# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes

- (1) Mr Foo Suay Lun (“**Mr. Foo**”) will, upon re-election as a director of the Company, remain as the Executive Director of the Company. Mr. Foo is the brother of Mr. Foo Suay Wei and the deemed substantial shareholder of the Company as Mr. Foo owns 100% of Salix Capital Pte. Ltd., a 26.05% shareholder of the Company. Save as disclosed, Mr. Foo does not have any material relationships between himself and the Directors and the Company.

Please refer to pages 32 to 36 of the Annual Report for the detailed information of Mr. Foo required pursuant to Rule 720(5) of the Catalist Rules.

- (2) Ms Elaine Soong Siew Kim (“**Ms. Soong**”) will, upon re-election as a director of the Company, remain as an Independent Non-Executive Director, the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. The Board considers Ms. Soong to be independent for the purpose of Rule 704(7) of the Catalist Rules. The detailed information of Ms. Elaine required pursuant to Rule 720(5) of the Catalist Rules can be found on pages 32 to 36 of the Company's annual report for the financial year ended 31 December 2024.
- (3) Ordinary Resolution 6 above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue ordinary Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments. The aggregate number of Shares (including Shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) which the Directors may allot and issue, shall not exceed, in total, one hundred percent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which the total number of Shares issued other than on a pro rata basis to existing shareholders of the Company, shall not exceed fifty percent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings).

For determining the aggregate number of Shares that may be issued, the percentage of total issued Shares will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time Resolution 7 is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities, the exercise of share options or vesting of share awards outstanding or subsisting at the time when Resolution 6 is passed and any subsequent consolidation or subdivision of Shares.

## Notes relating to conduct of AGM:

1. The AGM of the Company will be held, in a wholly physical format, at Lifelong Learning Institute, Room 07-01 (Lift Lobby A) at 11 Eunos Road 8, Singapore 408601 on Friday, 25 April 2025 at 3.00 p.m. (Singapore time). Shareholders, including Central Provident Fund (“**CPF**”) and Supplementary Retirement Scheme (“**SRS**”) investors, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the AGM by attending the AGM in person. **There will be no option for the members to participate virtually.**
2. Please bring along your NRIC/passport so as to enable the Company to verify your identity.

Printed copies of this Notice of AGM and the accompanying Proxy Form and the Request Form for members to request a printed copy of the Annual Report (“**Request Form**”) will be sent by post to members. These documents will also be published on the Company's website at the <https://www.koyotech.com> and the SGX website at the <https://www.sgx.com/securities/company-announcements>.

## Voting by proxy

3. A member who is unable to attend the AGM and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/its behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon.
4. A proxy need not to be a member of the Company.
5. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instruction as to voting are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.

## NOTICE OF ANNUAL GENERAL MEETING

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.
7. The instrument appointing a proxy, together with the letter or power of attorney or other authority under which it is signed or a duly certified copy thereof (if applicable), must be submitted either:
  - (a) if sent personally or by post, the proxy form must be lodged at the Company's registered office at 33 Ubi Avenue 3, #02-16, Singapore 408868; or
  - (b) if by email, the proxy form must be received at [mail@koyointernational.com](mailto:mail@koyointernational.com);

in either case, **by no later than 22 April 2025, 3.00 p.m., being at least seventy-two (72) hours before the time appointed for holding the AGM.**

A member who wishes to submit an instrument of proxy must complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

8. A member can appoint the Chairman of the AGM as his/her/its proxy, but this is not mandatory.
  - (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 two (2) proxies, he/she/it should specify the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.
  - (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 instrument appointing a proxy or proxies.

\*"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
9. For investors who holds shares under the SRS/CPF Investor Schemes and wishes to vote, should approach their respective SRS/CPF Operators to submit their votes, at least 7 working days (by 15 April 2025 at 3.00 p.m.) before the AGM. CPF/SRS Investors should contact their respective SRS Operators/CPF Agent Banks for any queries they may have with regard to the appointment of proxy for the AGM.
10. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument.

# NOTICE OF ANNUAL GENERAL MEETING

## Submission of questions prior to the AGM

11. Substantial and relevant questions related to the agenda of the AGM may be submitted in advance in the following manner:
  - (a) by email to **mail@koyointernational.com**; or
  - (b) in physical copy by depositing the same at the registered office of the Company at 33 Ubi Avenue 3 #02-16 Singapore 408868.

Shareholders submitting questions are required to state: (a) their full name; (b) their identification/registration number, and (c) the manner in which his/her/its shares in the Company are held (e.g. via CDP, CPF, SRS and/or scrip), failing which the Company shall be entitled to regard the submission as invalid and not respond to the questions submitted.

Members are encouraged to submit their questions on or before 16 April 2025, as this will allow the Company sufficient time to address and respond to these questions on or before 20 April 2025 (not less than 48 hours prior to the closing date and time for the lodgement of the proxy forms). The responses will be published on SGXNet and the Company's corporate website. Where substantial and relevant questions submitted by members are unable to be addressed prior to the AGM, including any questions received by the Company after 3:00 p.m. on 16 April 2025, the Company will address them during the AGM.

12. The Directors will endeavour to address as many substantial and relevant questions as possible during the AGM. However, members should note that there may not be sufficient time available at the AGM to address all questions raised. Please note that individual responses will not be sent to members. The minutes of the AGM will be published on SGXNet within one month after the date of the AGM.

## **PERSONAL DATA PRIVACY**

By (a) attending, speaking or voting at the AGM and/or adjournment thereof; (b) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof; or (c) submitting any questions prior to, or at, the AGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines and (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

This Notice of AGM has been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**Exchange**") and the Exchange assumes no responsibility for the contents of this Notice of AGM, including the correctness of any of the statements or opinions made or reports contained in this Notice of AGM.

The contact person for the Sponsor is Ms. Charmian Lim (Tel: (65) 6232 3210), at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.



## APPENDIX DATED 9 APRIL 2025

This Appendix is circulated to shareholders of Koyo International Limited (“**Company**”) (“**Shareholders**”) together with the Company’s annual report for the financial year ended 31 December 2024 (“**Annual Report**”). Its purpose is to provide Shareholders with the relevant information relating to, and seek Shareholders’ approval for the renewal of the Share Buyback Mandate (as defined herein) to be tabled at the Annual General Meeting (“**AGM**”) of the Company to be held on Friday, 25 April 2025 at 3.00 p.m. at Lifelong Learning Institute, Room 07-01 (Lift Lobby A) at 11 Eunos Road 8, Singapore 408601. Shareholders will be able to participate fully at the **physical AGM** and will not be able to attend the AGM by way of electronic means.

The Notice of AGM and Proxy Form are made available to shareholders on the same date hereof via SGXNet and the Company’s website.

If you are in any doubt as to the contents of this Appendix or the actions you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all of your ordinary shares in the capital of the Company, held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Appendix to the purchaser or transferee as arrangements will be made by CDP for a separate Appendix together with the Notice of AGM and Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all of your ordinary shares in the capital of the Company, represented by physical share certificate(s), you should immediately forward this Appendix together with the Notice of AGM and Proxy Form which are enclosed with the 2024 Annual Report, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

This Appendix has been reviewed by the Company’s sponsor, SAC Capital Private Limited (“**Sponsor**”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (“**Exchange**”) and the Exchange assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix.

The contact person for the Sponsor is Ms Charmian Lim (Tel: (65) 6232 3210) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.



**KOYO INTERNATIONAL LIMITED**

(Incorporated in Singapore)

(Company Registration No. 200100075E)

### APPENDIX IN RELATION TO THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

#### Important Dates and Times:

Last date and time for lodgement of Proxy Form	:	22 April 2025 at 3.00 p.m. (Singapore Time)
Date and time of Annual General Meeting	:	25 April 2025 at 3.00 p.m. (Singapore Time)
Place of Annual General Meeting	:	Lifelong Learning Institute, Room 07-01 (Lift Lobby A) 11 Eunos Road 8, Singapore 408601

# APPENDIX DATED 9 APRIL 2025

## KOYO INTERNATIONAL LIMITED

(Incorporated in Singapore)

(Company Registration No.: 200100075E)

### Board of Directors

Wong Loke Tan	(Independent Non-Executive Chairman)
Foo Suay Wei	(Managing Director/Chief Executive Officer)
Foo Suay Lun	(Executive Director)
Ong Kai Hoe	(Independent Non-Executive Director)
Elaine Soong Siew Kim	(Independent Non-Executive Director)

### Registered Office

33 Ubi Ave 3  
#02-16  
Singapore 408868

### 9 April 2025

**To: The Shareholders of Koyo International Limited**

**Dear Sir/Madam**

#### 1. INTRODUCTION

- 1.1 Reference is made to the notice of annual general meeting ("**AGM**") dated 9 April 2025 ("**Notice of AGM**") of Koyo International Limited ("**Company**") convening the AGM of the Company to be held on 25 April 2025 at 3.00 p.m. at Lifelong Learning Institute, Room 07-01 (Lift Lobby A) at 11 Eunos Road 8, Singapore 408601. The Notice of AGM is made available to Shareholders on the same date hereof via SGXNET and may also be accessed via the Company's website at <http://www.koyotech.com>.
- 1.2 The proposed Resolution 7 in the Notice of AGM to Shareholders relates to the proposed renewal of the share buyback mandate ("**Share Buyback Mandate**"), which was previously approved by shareholders of the Company ("**Shareholders**") at the AGM held on 25 April 2024, to authorise the directors of the Company ("**Directors**") to purchase or otherwise acquire issued ordinary shares in the capital of the Company ("**Shares**") on the terms of the Share Buyback Mandate. The authority conferred by the Share Buyback Mandate will expire on 25 April 2025, being the date of the forthcoming AGM.
- 1.3 The purpose of this Appendix is to provide Shareholders with relevant information relating to, and explain the rationale for the proposed renewal of the Share Buyback Mandate to be tabled at the AGM.

# APPENDIX DATED 9 APRIL 2025

## 2. PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

### 2.1 Background

The Directors propose to table for Shareholders' consideration and approval, the renewal of the Share Buyback Mandate at the forthcoming AGM to be held on 25 April 2025.

Shareholders' approval is thus being sought at the AGM for the renewal of the Share Buyback Mandate for the purchase or acquisition by the Company of its issued Shares ("**Share Buyback(s)**"). If the ordinary resolution relating to the renewal of the Share Buyback Mandate is passed by Shareholders at the forthcoming AGM, the Share Buyback Mandate will take effect from the date of the AGM at which the renewal of the Share Buyback Mandate is approved by the Shareholders and it will remain in force until the earliest of (i) the date on which the next AGM of the Company is held or required by law to be held; (ii) the date on which the Share Buybacks are carried out to the full extent mandated by the Share Buyback Mandate; or (iii) the date the Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting ("**Relevant Period**").

Any Share Buyback by the Company will have to be made in accordance with, and in the manner prescribed by, the Companies Act 1967 ("**Company Act**"), the Constitution of the Company, the Listing Manual Section B: Rules of Catalist of the SGX-ST ("**Catalist Rules**"), and such other laws and regulations as may for the time being be applicable.

### 2.2 Rationale

The rationale for the Company to undertake the purchase or acquisition of its issued Shares up to a ten per cent (10%) limit described in section 2.3.1 below, at any time, subject to market conditions, during the period that the Share Buyback Mandate is in force ("**Share Buyback**") is as follows:

- (a) It is a principal mission of the Directors to constantly seek to increase Shareholders' value and to improve, *inter alia*, the return on equity of the Company and its subsidiaries (the "**Group**"). A Share Buyback at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced; and
- (b) Share Buybacks provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient, effective and cost-efficient manner. It will also provide the Directors with greater flexibility over the Company's share capital structure with a view to enhancing the earnings and/or net tangible asset value per Share. The Directors further believe that Share Buybacks by the Company will help mitigate short-term market volatility, offset the effects of short-term speculation and bolster Shareholder confidence.

If and when circumstances permit, the Directors will decide whether to effect the Share Buybacks via Market Purchases or Off-Market Purchases (as respectively defined under sections 2.3.4 (a) and (b) below), after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach. The Directors do not propose to carry out purchases pursuant to the Share Buyback Mandate to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Group.

## APPENDIX DATED 9 APRIL 2025

The Directors will only make a Share Buyback as and when the circumstances permit and only if the Directors are of the view that such purchases are in the best interests of the Company and the Shareholders. The Directors will decide whether to purchase shares only after taking into account, among other things, the market conditions at such time, the Company's financial condition and whether such purchases will cause the Company to become insolvent, and whether such purchases represent the most efficient and cost-effective approach to enhance Shareholders' value.

Share purchases will only be made if the Directors believe that such purchases are likely to benefit the Company and increase economic value for Shareholders.

### 2.3 Authority and Limits on the Share Buyback Mandate

The authority and limitations placed on purchases of Shares by the Company under the Share Buyback Mandate, if renewed at the AGM, are as follows:

#### 2.3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired by the Company is limited to that number of Shares representing not more than ten per cent (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the AGM at which the renewal of the Share Buyback Mandate is approved ("**Approval Date**") unless the Company has, at any time during the Relevant Period, effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, as amended or modified from time to time in which event the total number of issued Shares of the Company shall be taken to be the total number of the issued Shares as altered (excluding treasury shares and subsidiary holdings). For the purposes of calculating the percentage of Shares as referred above, any of the Shares which are held by the Company as treasury shares will be disregarded.

**For illustrative purposes only**, based on the existing issued and paid-up share capital of the Company as at 25 March 2025, being the latest practicable date (the "**Latest Practicable Date**"), comprising 189,823,497 Shares (excluding 6,300,000 treasury shares), and assuming that no further Shares are issued or purchased and kept as treasury shares or cancelled on or prior to the AGM, not more than 18,982,349 Shares (representing 10% of the issued and paid-up share capital (excluding 6,300,000 treasury shares) of the Company as at the date of the AGM) may be purchased by the Company pursuant to the Share Buyback Mandate.

## APPENDIX DATED 9 APRIL 2025

### 2.3.2 Duration of Authority

Share Buybacks may be made, at any time and from time to time during the Relevant Period, on and from the Approval Date, up to the earliest of:

- (a) the date on which the next AGM is held or required by law to be held;
- (b) the date on which the Share Buybacks are carried out to the full extent mandated; or
- (c) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Shareholders in a general meeting.

### 2.3.3 Solvency

As stated in the Companies Act, Share Buybacks may be made out of the Company's profits or capital so long as the Company is solvent. In determining whether the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimation of assets or liabilities. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company. Accordingly, purchases or acquisition of Shares may only be made if the Directors know that the Company is, or have no reason to believe that the Company is not, solvent.

Pursuant to Section 76F(4) of the Companies Act, the Company is solvent if at the date of the payment made by the Company in consideration of acquiring any right with respect to the purchase or acquisition of its own shares:–

- (a) there is no ground on which the Company could be found to be unable to pay its debts;
- (b) if –
  - (i) it is intended to commence winding up of the Company within the period of 12 months immediately after the date of the payment, the Company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
  - (ii) it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase, acquisition, variation or release (as the case may be), become less than the value of its liabilities (including contingent liabilities).

## APPENDIX DATED 9 APRIL 2025

### 2.3.4 Manner of Purchase of Shares

Share Buybacks may be made by way of:

- (a) on-market purchases ("**Market Purchase**"), transacted on the SGX-ST trading system or, as the case may be, any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases ("**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as defined in Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Catalist Rules and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. Under the Companies Act, an equal access scheme must satisfy all the following conditions:

- (i) offers for the Share Buyback shall be made to every person who holds issued Shares to purchase or acquire the same percentage of their issued Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers are the same, except that there shall be disregarded, where applicable:
  - (i) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; and
  - (ii) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
  - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Catalist Rules require that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the Share Buyback;

## APPENDIX DATED 9 APRIL 2025

- (d) the consequences, if any, of Share Buybacks by the Company that will arise under the Singapore Code on Take-overs and Mergers (as amended or modified from time to time) ("**Take-over Code**") or other applicable take-over rules;
- (e) whether the Share Buyback, if made, would have any effect on the listing of the Shares on the Catalist of the SGX-ST;
- (f) details of any Share Buyback made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), setting out the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

### 2.3.5 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase, pursuant to an equal access scheme, 120% of the Average Closing Price (as defined hereinafter),

(the "**Maximum Price**") in either case, excluding related expenses of the purchase.

For the above purposes:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) days, on which the SGX-ST is open for trading in securities ("**Market Days**") and which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase, or as the case may be, the Day of the Making of the Offer (as defined hereinafter) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five Market Days period and the day on which the purchases are made; and

"**Day of the Making of the Offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders pursuant to the Off-Market Purchase, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

## APPENDIX DATED 9 APRIL 2025

### 2.4 Status of Purchased Shares under the Share Buyback Mandate

Under Section 76B of the Companies Act, any Share which is purchased by the Company shall, unless held as treasury shares to the extent permitted under the Companies Act (as set out below), be deemed cancelled immediately on purchase, and all rights and privileges attached to that Share will expire on such cancellation. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or otherwise acquired by the Company and which are held as treasury shares. All Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted under the Companies Act), will be automatically de-listed by the SGX-ST, and (where applicable) the certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company and as the Directors deem fit in the interests of the Company at that time.

### 2.5 Treasury Shares

Under the Companies Act, Shares purchased by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

#### 2.5.1 Maximum Holdings

The aggregate numbers of Shares held as treasury shares cannot at any time exceed ten per cent (10%) of the total number of issued Shares of the Company. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Companies Act within six (6) months or such further periods as the Accounting and Corporate Regulatory Authority (“ACRA”) may allow.

As at the Latest Practicable Date, the Company holds 6,300,000 treasury shares representing approximately 3.32 per cent (3.32%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings). Where Shares purchased pursuant to the renewed Share Buyback Mandate are held as treasury shares, the number of such Shares to be held as treasury shares, when aggregated with the then existing Treasury Shares held, shall not, subject to the Companies Act, exceed the ten per cent (10%) limit of the total number of issued Shares of the Company as at the date of the general meeting at which the proposed renewal of the Share Buyback Mandate is approved, unless the Company has, at any time during the Relevant Period, effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of issued Shares shall be taken to be the total number of Shares as altered (“**Treasury Shares Limit**”). Treasury Shares and subsidiary holdings will be disregarded for purposes of computing the ten per cent (10%) limit.

**For illustrative purposes**, the Company may only retain a further 12,682,349 Shares as treasury shares as it is only allowed to hold a maximum of 18,982,349 treasury shares (being 10% of the total number of issued Shares of 189,823,497 Shares excluding treasury shares and subsidiary holdings).



## APPENDIX DATED 9 APRIL 2025

### 2.5.2 Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members of the Company on a winding up) may be made, to the Company, in respect of the treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury shares into treasury shares of a smaller or larger amount (as the case may be) is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

### 2.5.3 Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time:

- (a) sell the treasury shares (or any of them) for cash;
- (b) transfer the treasury shares (or any of them) for the purposes of, or pursuant to a share scheme of the Company;
- (c) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of, another company or assets of another person;
- (d) cancel the treasury shares (or any of them); or
- (e) sell, transfer or otherwise use the treasury shares (or any of them) for such other purposes as may be prescribed by the Minister for Finance of Singapore.

Under Rule 704(31) of the Catalyst Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, "**Usage**"). Such announcement must include details such as the date of the Usage, the purpose of the Usage, the number of treasury shares comprised in the Usage, the number of treasury shares before and after the Usage, the percentage of the number of treasury shares comprised in the Usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the Usage and the value of the treasury shares comprised in the Usage.

## 2.6 Source of Funds

The Company may use internal resources and/or external borrowings to finance purchases of its Shares pursuant to the Share Buyback Mandate. The Directors do not propose to carry out Share Buybacks to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company and/or the Group.

## APPENDIX DATED 9 APRIL 2025

### 2.7 Reporting Requirements under the Companies Act

Within 30 days of the passing of a Shareholders' resolution to approve the Share Buybacks by the Company, the Company shall lodge a copy of such resolution with ACRA. The Company shall also notify the ACRA within 30 days of purchase of Shares on the SGX-ST or otherwise. Such notification shall include details of the Share Buybacks, including the date of the purchase, the number of Shares purchased by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before the purchase and after the purchase of Shares, the amount of consideration paid by the Company for the Share Buybacks, and whether the Shares are purchased out of the profits or the capital of the Company.

Within 30 days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of treasury shares in the prescribed form as required by ACRA.

### 2.8 Tax Implications

Shareholders who are in doubt as to their respective tax positions or the tax implications as a result of any share purchase or acquisition by the Company, or who may be subject to tax whether in or outside Singapore, should consult their professional advisers.

### 2.9 Catalyst Rules

Under the Catalyst Rules, a listed company may purchase shares by way of Market Purchases at a price per Share which is not more than five per cent (5%) above the Average Closing Price. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in section 2.3.5(a) above, conforms to this restriction. Additionally, the Catalyst Rules also specifies that a listed company shall announce all purchases or acquisitions of its shares via the SGXNET not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase of any of its shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement shall include, *inter alia*, details of the total number of shares authorised for purchase, the date of purchase, prices paid for the total number of shares purchased, the number of shares cancelled or held as treasury shares, the purchase price per share or the highest price and lowest price per share (as applicable), the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), and the number of issued shares after purchase, in the form prescribed under the Catalyst Rules.

## APPENDIX DATED 9 APRIL 2025

While the Catalist Rules do not expressly prohibit any purchase of shares by a listed company during any particular time, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase of Shares pursuant to the renewed Share Buyback Mandate at any time after any matter or development of a price or trade-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Directors until such price or trade-sensitive information has been publicly announced.

Further, in line with the Company’s best practices guide on securities dealings under the Catalist Rules, the Company will not purchase or acquire any Shares through Market Purchases during the period commencing one (1) month immediately preceding the announcement of the Company’s annual (full year) or interim (half-year) results.

### 2.10 Listing Status

Catalist Rules require a listed company to ensure that at least ten per cent (10%) of its Shares (excluding treasury shares and subsidiary holdings) are in the hands of the public. The term “public”, as defined under the Catalist Rules, refers to persons other than (i) the directors, chief executive officer, substantial shareholders or controlling shareholders of the Company and its subsidiaries; and (ii) the Associates (as defined in the Catalist Rules) of persons in (i). As at the Latest Practicable Date, there are 67,248,497 Shares in the hands of the public, representing 35.43% of the issued Shares of the Company (based on 189,823,497 issued Shares, excluding 6,300,000 treasury shares, as at the Latest Practicable Date).

**For illustration purposes only**, assuming that the Company purchases up to the maximum number of 10% of the issued Shares (excluding treasury shares and subsidiary holdings), being 18,982,349 Shares as at the Latest Practicable Date from members of the public, the resultant number of Shares held by the public after the purchase of such Shares would be 48,266,148 Shares, representing approximately 28.25% of the remaining issued Shares (excluding treasury shares and subsidiary holdings). Accordingly, the Company is of the view that there are sufficient numbers of the Shares in issue held by public.

In undertaking any purchase of its Shares, the Directors will use their best efforts to ensure that a sufficient number of Shares remain in public hands so that the share buyback(s) will not:

- (a) adversely affect the listing status of the Shares on the SGX-ST;
- (b) cause market illiquidity; or
- (c) adversely affect the orderly trading of Shares.

## APPENDIX DATED 9 APRIL 2025

### 2.11 Implications under the Take-over Code

The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

#### 2.11.1 Obligation to make a take-over offer

Rule 14 of the Take-over Code ("**Rule 14**") requires, *inter alia*, that except with the consent of the Securities and Industry Council of Singapore ("**SIC**"), where:–

- (a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1% of the voting rights,

such person shall extend immediately an offer on the basis set out below to the holders of any class of shares in the capital which carries votes and in which such person or persons acting in concert with him hold shares. In addition to such person, each of the principal members of the group or persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

In calculating the percentages of voting rights of such person and their concert parties, treasury shares and subsidiary holdings shall be excluded.

#### 2.11.2 Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies, who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert with each other under the Take-over Code:

- (a) the following companies:–
  - (i) a company;
  - (ii) the parent company of (i);
  - (iii) the subsidiaries of (i);
  - (iv) the fellow subsidiaries of (i);

## APPENDIX DATED 9 APRIL 2025

- (v) the associated companies of any of (i), (ii), (iii) or (iv);
  - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v). For this purpose, a company is an associated company of another company if the second company owns or controls at least twenty per cent (20%) but not more than fifty per cent (50%) of the voting rights of the first-mentioned company; and
  - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights;
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
  - (c) a company with any of its pension funds and employee share schemes;
  - (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
  - (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of:–
    - (i) the adviser and persons controlling, controlled by or under the same control as the adviser; and
    - (ii) all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
  - (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a *bona fide* offer for their company may be imminent;
  - (g) partners; and
  - (h) the following persons and entities:–
    - (i) an individual;
    - (ii) the close relatives of (i);
    - (iii) the related trusts of (i);
    - (iv) any person who is accustomed to act in accordance with the instructions of (i);

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- (v) companies controlled by any of (i), (ii), (iii) or (iv); and
- (vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

The circumstances under which Shareholders (including Directors of the Company) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 as a result of a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code.

### **2.11.3 Effect of Rule 14 and Appendix 2 of the Take-over Code**

Appendix 2 of the Take-over Code contains the share buy-back guidance note. In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, if, as a result of any purchase or acquisition by the Company of its Shares, the proportionate percentage of voting rights held by a Shareholder and persons acting in concert with him increase, such increase will be treated as an acquisition for the purposes of the Take-over Code. If as a result of such increase, a Shareholder or group of Shareholders acting in concert with a Director obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert with a Director could become obliged to make a take-over offer for the Company under Rule 14.

Under Appendix 2, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30 per cent (30%) or more, or, if such Shareholder holds between 30 per cent (30%) and 50 per cent (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution to approve the renewal of the Share Buyback Mandate.

Under the Take-over Code, it is deemed that the estate of Foo Chek Heng, deceased and Salix Capital Pte Ltd (which is 100% owned by Foo Suay Lun, who is an executive director of the Company) are acting in concert ("**Concert Party Group**"). As the Concert Party Group holds more than 50% of the Shares in the Company, the Concert Party Group will not be obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the acquisition or purchase by the Company of 10% of its issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date. As at the Latest Practicable Date, the Concert Party Group holds an aggregate of 122,575,000 shares representing 64.57% of the Shares (excluding treasury shares and subsidiary holdings). Based on the shareholding of the Concert Party Group, in the event the Company undertakes Share buyback under the renewed Share Buyback Mandate up to the maximum limit of ten percent (10%) of the issued share capital of the Company (excluding treasury shares and subsidiary holdings) as permitted by the renewed Share Buyback Mandate, the shareholdings and voting rights of the Concert Party Group will increase from 64.57% to 71.75%.

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### 2.12 Details of the Shares Bought by the Company in the Previous 12 Months

The Company has not purchased or acquired any Shares in the previous 12 months preceding the Latest Practicable Date.

### 2.13 Interested Persons

The Company is prohibited from knowingly buying Shares on the SGX-ST from an interested person, that is, a Director, the chief executive officer of the Company or controlling shareholder of the Company or any of their associates, and an interested person is prohibited from knowingly selling his/her Shares to the Company.

## 3. LIMITS ON SHAREHOLDINGS

The Company does not have any individual shareholding or foreign shareholding limits on the shareholding of any Shareholder.

## 4. FINANCIAL EFFECTS OF SHARE BUYBACK MANDATE

### 4.1 General

Shareholders should note that the financial effects illustrated below are for illustration purposes only. In particular, it is important to note that the financial analysis set out below are based on the audited consolidated financial results of the Company and the Group for the financial year ended 31 December 2024 and are not necessarily representative of future financial performance. Although the Share Buyback Mandate would authorise the Company to buy back up to ten per cent (10%) of the Company's issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily buyback or be able to buyback ten per cent (10%) of the issued Shares (excluding treasury shares and subsidiary holdings) in full.

### 4.2 The Share Buyback Mandate

It is not possible for the Company to realistically calculate or quantify the impact of purchases as the resultant effect would depend on factors such as the aggregate number of Shares purchased, the purchase prices paid at the relevant time, the amount (if any) borrowed by the Company to fund the purchases whether the purchase or acquisition is made out of profits or capital, and whether the Shares purchased are held as treasury shares or cancelled.

Under the Companies Act, Share Buybacks by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (including brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration (including brokerage, stamp duties, applicable goods and services tax and other related expenses) paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

## APPENDIX DATED 9 APRIL 2025

The Share Buybacks will only be made after considering relevant factors such as the availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions. The Share Buyback Mandate will be exercised with a view to enhance Shareholders' value as set out in section 2.2. The financial effects of the Company and the Group, presented below, based on audited consolidated financial results of the Company and the Group for the financial year ended 31 December 2024; are based on the assumptions set out below:

- (a) based on 189,823,497 Shares in issue (excluding 6,300,000 treasury shares and subsidiary holdings) as at the Latest Practicable Date and assuming no further Shares are issued and no further Shares are purchased or acquired pursuant to the Share Buyback Mandate on or prior to the AGM;
- (b) transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buyback Mandate are assumed to be insignificant and have been ignored for the purposes of computing the financial effects;
- (c) in the case of a Market Purchase by the Company and assuming that the Company purchases or acquires 18,982,349 Shares at the Maximum Purchase Price of S\$0.048 for one Share (being the price equivalent to 105% of the Average Closing Price for the Shares for the five consecutive Market Days on which Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date which is 25 March 2025), the maximum amount of funds required for the purchase or acquisition of 18,982,349 Shares is S\$0.911 million and is assumed to be financed by external borrowings; and
- (d) in the case of an Off-Market Purchase by the Company and assuming that the Company purchases or acquires 18,982,349 Shares at the Maximum Purchase Price of S\$0.055 for one Share (being the price equivalent to 20% above the Average Closing Price for the Shares for the five consecutive Market Days on which Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date which is 25 March 2025), the maximum amount of funds required for the purchase or acquisition of 18,982,349 Shares is S\$1.044 million and is assumed to be financed by external borrowings.

**For illustrative purposes only and on the basis of the assumptions set out in (a), (b), (c) and (d) above,** the financial effects for Share buybacks made entirely out of profits and capital are as follows:

### **4.2.1 Market or Off-Market Purchases made entirely out of profits and cancelled, or held as treasury shares**

The Company does not have accumulated profits as at 31 December 2024 to acquire or purchase Shares entirely out of profits and as such, it is not possible to calculate the financial effects of the Share Buyback made entirely out of profits whether by way of Market or Off-Market Purchases.



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### 4.2.2 Market or Off-Market Purchases made entirely out of capital and cancelled, or held as treasury shares

The financial effects of the purchase or acquisition of 18,982,349 Shares by the Company pursuant to the Share Buyback Mandate made entirely out of capital by way of Market and Off-Market Purchases and cancelled, or held as treasury shares (disregarding the treasury share limit as set out in section 2.5.1 of this Appendix) based on the audited consolidated accounts of the Group and the Company for the financial year ended 31 December 2024 as if the Share Buyback Mandate had been effective on 1 January 2024 are set out below:

#### Market Purchase

##### Scenario 1

*Purchase or acquisition of 18,982,349 Shares by the Company pursuant to the Share Buyback Mandate made entirely out of capital, with 12,682,349 shares held as treasury shares and 6,300,000 shares cancelled.*

	Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
<b>Audited as at 31 December 2024</b>				
Shareholders' Funds <sup>(1)</sup>	20,275	19,973	18,889	18,587
Treasury Shares	(630)	(1,239)	(630)	(1,239)
Total Shareholders' Funds	19,645	18,734	18,259	17,348
Net Assets <sup>(2)</sup>	19,645	18,734	18,259	17,348
Current Assets	36,619	36,619	188	188
Current Liabilities	26,309	27,220	779	1,690
Cash and bank balances	2,781	2,781	185	185
Borrowings <sup>(3)</sup>	5,103	6,014	–	911
Profit/(loss) attributable to Equity Holders	58	58	(208)	(208)
<b>No. of Shares ('000)</b>				
Ordinary Shares (excluding treasury shares and subsidiary holdings)	189,824	170,842	189,824	170,842
Net Assets per Share <sup>(4)</sup> (cents)	10.35	10.97	9.62	10.15
Basic (Loss) per Share <sup>(5)</sup> (cents)	0.03	0.03	(0.11)	(0.12)
Current Ratio <sup>(6)</sup> (times)	1.39	1.35	0.24	0.11
Gearing <sup>(7)</sup> (times)	0.26	0.32	–	0.05

## APPENDIX DATED 9 APRIL 2025

### Notes:

- (1) Shareholders' funds mean the aggregate of issued share capital, retained earnings and other reserves.
- (2) Net assets mean total assets minus total liabilities.
- (3) Borrowings includes lease liabilities and amounts due to banks and financial institutions. It is assumed that the Company has incurred current external financing of S\$911,000 for the Share Buybacks.
- (4) Net assets per Share equals to net assets divided by the number of issued and paid-up shares which have excluded treasury shares and subsidiary holdings.
- (5) Basic Earnings/(loss) per Share equals to net profit/(loss) divided by the weighted average number of issued and paid-up shares (excluding treasury shares and subsidiary holdings).
- (6) Current ratio equals to current assets divided by current liabilities.
- (7) Gearing represents the ratio of borrowings.

### Market Purchase

#### Scenario 2

**Purchase or acquisition of 18,982,349 Shares by the Company pursuant to the Share Buyback Mandate made entirely out of capital and cancelled.**

	Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
<b>Audited as at 31 December 2024</b>				
Shareholders' Funds <sup>(1)</sup>	20,275	19,364	18,889	17,978
Treasury Shares	(630)	(630)	(630)	(630)
Total Shareholders' Funds	19,645	18,734	18,259	17,348
Net Assets <sup>(2)</sup>	19,645	18,734	18,259	17,348
Current Assets	36,619	36,619	188	188
Current Liabilities	26,309	27,220	779	1,690
Cash and bank balances	2,781	2,781	185	185
Borrowings <sup>(3)</sup>	5,103	6,014	–	911
Profit/(loss) attributable to Equity Holders	58	58	(208)	(208)
<b>No. of Shares ('000)</b>				
Ordinary Shares (excluding treasury shares and subsidiary holdings)	189,824	170,842	189,824	170,842
Net Assets per Share <sup>(4)</sup> (cents)	10.35	10.97	9.62	10.15
Basic (Loss) per Share <sup>(5)</sup> (cents)	0.03	0.03	(0.11)	(0.12)
Current Ratio <sup>(6)</sup> (times)	1.39	1.35	0.24	0.11
Gearing <sup>(7)</sup> (times)	0.26	0.32	–	0.05

## APPENDIX DATED 9 APRIL 2025

Notes:

- (1) Shareholders' funds mean the aggregate of issued share capital, retained earnings and other reserves.
- (2) Net assets mean total assets minus total liabilities.
- (3) Borrowings includes lease liabilities and amounts due to banks and financial institutions. It is assumed that the Company has incurred current external financing of S\$911,000 for the Share Buybacks.
- (4) Net assets per Share equals to net assets divided by the number of issued and paid-up shares which have excluded treasury shares and subsidiary holdings.
- (5) Basic Earnings/(loss) per Share equals to net profit/(loss) divided by the weighted average number of issued and paid-up shares (excluding treasury shares and subsidiary holdings).
- (6) Current ratio equals to current assets divided by current liabilities.
- (7) Gearing represents the ratio of borrowings.

### Off-Market Purchase

#### Scenario 1

**Purchase or acquisition of 18,982,349 Shares by the Company pursuant to the Share Buyback Mandate made entirely out of capital, with 12,682,349 shares held as treasury shares and 6,300,000 shares cancelled.**

	Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
<b>Audited as at 31 December 2024</b>				
Shareholders' Funds <sup>(1)</sup>	20,275	19,929	18,889	18,543
Treasury Shares	(630)	(1,328)	(630)	(1,328)
Total Shareholders' Funds	19,645	18,601	18,259	17,215
Net Assets <sup>(2)</sup>	19,645	18,601	18,259	17,215
Current Assets	36,619	36,619	188	188
Current Liabilities	26,309	27,353	779	1,823
Cash and bank balances	2,781	2,781	185	185
Borrowings <sup>(3)</sup>	5,103	6,147	–	1,044
Profit/(loss) attributable to Equity Holders	58	58	(208)	(208)
<b>No. of Shares ('000)</b>				
Ordinary Shares (excluding treasury shares and subsidiary holdings)	189,824	170,842	189,824	170,842
Net Assets per Share <sup>(4)</sup> (cents)	10.35	10.89	9.62	10.08
Basic Earnings/(loss) per Share <sup>(5)</sup> (cents)	0.03	0.03	(0.11)	(0.12)
Current Ratio <sup>(6)</sup> (times)	1.39	1.34	0.24	0.10
Gearing <sup>(7)</sup> (times)	0.26	0.33	–	0.06

## APPENDIX DATED 9 APRIL 2025

### Notes:

- (1) Shareholders' funds mean the aggregate of issued share capital, retained earnings and other reserves.
- (2) Net assets mean total assets minus total liabilities.
- (3) Borrowings includes lease liabilities and amounts due to banks and financial institutions. It is assumed that the Company has incurred current external financing of S\$1,044,000 for the Share Buybacks.
- (4) Net assets per Share equals to net assets divided by the number of issued and paid-up shares which have excluded treasury shares and subsidiary holdings.
- (5) Basic Earnings/(loss) per Share equals to net profit/(loss) divided by the weighted average number of issued and paid-up shares (excluding treasury shares and subsidiary holdings).
- (6) Current ratio equals to current assets divided by current liabilities.
- (7) Gearing represents the ratio of Borrowings.

### Off-Market Purchase

#### Scenario 2

***Purchase or acquisition of 18,942,349 Shares by the Company pursuant to the Share Buyback Mandate made entirely out of capital and cancelled.***

	Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
<b>Audited as at 31 December 2024</b>				
Shareholders' Funds <sup>(1)</sup>	20,275	19,231	18,889	17,845
Treasury Shares	(630)	(630)	(630)	(630)
Total Shareholders' Funds	19,645	18,601	18,259	17,215
Net Assets <sup>(2)</sup>	19,645	18,601	18,259	17,215
Current Assets	36,619	36,619	188	188
Current Liabilities	26,309	27,353	779	1,823
Cash and bank balances	2,781	2,781	185	185
Borrowings <sup>(3)</sup>	5,103	6,147	–	1,044
Profit/(loss) attributable to Equity Holders	58	58	(208)	(208)
<b>No. of Shares ('000)</b>				
Ordinary Shares (excluding treasury shares and subsidiary holdings)	189,824	170,842	189,824	170,842
Net Assets per Share <sup>(4)</sup> (cents)	10.35	10.89	9.62	10.08
Basic Earnings/(loss) per Share <sup>(5)</sup> (cents)	0.03	0.03	(0.11)	(0.12)
Current Ratio <sup>(6)</sup> (times)	1.39	1.34	0.24	0.10
Gearing <sup>(7)</sup> (times)	0.26	0.33	–	0.06

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Notes:

- (1) Shareholders' funds mean the aggregate of issued share capital, retained earnings and other reserves.
- (2) Net assets mean total assets minus total liabilities.
- (3) Borrowings includes lease liabilities and amounts due to banks and financial institutions. It is assumed that the Company has incurred current external financing of S\$1,044,000 for the Share Buybacks.
- (4) Net assets per Share equals to net assets divided by the number of issued and paid-up shares which have excluded treasury shares and subsidiary holdings.
- (5) Basic Earnings/(loss) per Share equals to net profit/(loss) divided by the weighted average number of issued and paid-up shares (excluding treasury shares and subsidiary holdings).
- (6) Current ratio equals to current assets divided by current liabilities.
- (7) Gearing represents the ratio of borrowings.

**Shareholders should note that the financial effects set out above are for illustrative purposes only. It should be noted that the above analyses are based on historical audited financial statements for the financial year ended 31 December 2024 and is not necessarily representative of future financial performance.**

**Although the Share Buyback mandate would authorise the Company to purchase or acquire up to ten per cent (10%) of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire ten per cent (10%) of the total issued ordinary share capital of the Company. In addition, the Company may cancel all or part of the Shares repurchased or may hold all or part of the Shares repurchased in treasury (subject to the Treasury Shares Limit).**

## APPENDIX DATED 9 APRIL 2025

### 5. INTERESTS OF DIRECTORS (AND CONCERT PARTIES WHERE RELEVANT) AND/OR SUBSTANTIAL SHAREHOLDERS

Assuming (i) the Company purchases the maximum number of ten per cent (10%) of the issued Shares (excluding treasury shares and subsidiary holdings) of the Company as at the Latest Practicable Date, and (ii) there is no change in the number of Shares held or deemed to be held by the Directors and Substantial Shareholders of the Company based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders of the Company maintained pursuant to Section 164 and Section 88 of the Companies Act respectively, as at the Latest Practicable Date, the shareholdings of the Directors and Substantial Shareholders before and after the purchase of Shares, were/will be as follows:

Directors	Before the Share Buyback			After the Share Buyback	
	No. of Shares			% of total issued shares <sup>(1)</sup>	% of total issued shares <sup>(2)</sup>
	Direct	Deemed	Total		
Foo Suay Wei	–	–	–	–	–
Foo Suay Lun <sup>(5)</sup>	–	49,449,500	49,449,500	26.05%	28.94%
Wong Loke Tan	–	–	–	–	–
Ong Kai Hoe	–	–	–	–	–
Elaine Soong Siew Kim	–	–	–	–	–
<b>Substantial Shareholders (excluding Directors)</b>					
Estate of Foo Chek Heng, deceased <sup>(3)</sup>	72,725,500	400,000	73,125,500	38.52%	42.80%
Estate of Foo Chek Heng, deceased and concert parties <sup>(4)</sup>	72,725,500	49,849,500	122,575,000	64.57%	71.75%
Salix Capital Pte Ltd <sup>(5)</sup>	49,449,500	–	49,449,500	26.05%	28.94%

#### Notes:

- (1) The percentages in the table are calculated based on the total interests (direct and deemed) against 189,823,497 Shares (excluding 6,300,000 treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (2) The percentages in the table are calculated based on the total interests (direct and deemed) against 170,841,148 Shares (excluding 18,982,349 treasury shares and subsidiary holdings) assuming the Company purchases the maximum number of 10% of the Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (3) The estate of Mr Foo Chek Heng, deceased, is deemed interested in 400,000 Shares held by his wife, Mdm Dalat Kositanon.
- (4) Under the Take-over Code, it is deemed that the estate of Foo Chek Heng, deceased and Salix Capital Pte Ltd (which is 100% owned by Foo Suay Lun, who is executive director) are acting in concert. They hold an aggregate of 122,575,000 shares, representing 64.57% of the Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (5) Salix Capital Pte Ltd is 100% owned by Foo Suay Lun, Executive Director. Accordingly, Foo Suay Lun is deemed interested in the 49,449,500 Shares held by Salix Capital Pte Ltd.

## APPENDIX DATED 9 APRIL 2025

### 6. APPROVALS AND RESOLUTIONS

Shareholders' approval for the proposed renewal of the Share Buyback Mandate is being sought at the AGM. The resolution relating to the proposed renewal of the Share Buyback Mandate is contained in the Notice of AGM to Shareholders as Ordinary Resolution 7.

### 7. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 7 set out in the Notice of AGM to Shareholders.

### 8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of Share Buyback Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

### 9. INSPECTION OF DOCUMENTS

Copies of the Constitution of the Company is available for inspection at the registered office of the Company at 33 Ubi Avenue 3, #02-16 Singapore 408868 during normal business hours from the date of this Appendix up to the date of the AGM.

Yours faithfully  
For and on behalf of the Board of Directors  
**Koyo International Limited**

Foo Suay Wei  
Managing Director and Chief Executive Officer  
09 April 2025

# KOYO INTERNATIONAL LIMITED

(Company Registration No. 200100075E)  
(Incorporated In the Republic of Singapore)

## PROXY FORM

### ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this Form)

#### IMPORTANT:

1. Relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) may appoint more than two (2) proxies to attend, speak and vote at the AGM.
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 Central Provident Fund ("CPF") Investment Scheme ("CPFIS")/Supplementary Retirement Scheme ("SRS") investors who hold the Company's Shares through CPF Agent Banks/SRS Operators.
3. CPFIS/SRS investors who wish to vote should approach their respective CPF Agent Banks/SRS Operators to submit their voting instructions at least seven (7) working days before the date of the AGM.

#### Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 9 April 2025.

I/We\* \_\_\_\_\_ (Name)

NRIC No./Passport No./Company Registration No.\* \_\_\_\_\_

of \_\_\_\_\_ (Address)

being a member/members\* of **KOYO INTERNATIONAL LIMITED** ("**Company**"), hereby appoint:

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

and/or\*

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

or failing \*him/her/it, the Chairman of the Annual General Meeting (the "**AGM**" or "**Meeting**"), as my/our\* proxy/proxies to vote for me/us\* on my/our\* behalf at the Meeting of the Company, to be held at Lifelong Learning Institute, Room 07-01 (Lift Lobby A) at 11 Eunos Road 8, Singapore 408601 on **Friday, 25 April 2025 at 3.00 p.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 Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at \*his/her/its discretion, as \*he/her/it will on any other matters arising at the Meeting.

No.	Resolutions relating to:	No. of Votes 'For'***	No. of Votes 'Against'***	No. of Votes 'Abstain'***
<b>Ordinary Business</b>				
1	To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Auditors' Report thereon			
2	To approve the payment of Directors' fees of S\$84,000 for the financial year ending 31 December 2025, payable quarterly in arrears (2024: S\$104,000)			
3	To re-elect Mr. Foo Suay Lun as a Director			
4	To re-elect Ms. Elaine Soong Siew Kim as a Director			
5	To re-appoint Messrs Grant Thornton Audit LLP as auditors of the Company and to authorise the Directors to fix their remuneration			
<b>Special Business</b>				
6	To authorise Directors to issue and allot shares			
7	To approve the renewal of Share Buyback Mandate			

\* Delete where inapplicable

\*\* If you wish to exercise all your votes 'For', 'Against' or 'Abstain from Voting', please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025

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

\_\_\_\_\_  
Signature(s) of Member(s)  
and/or, Common Seal of Corporate Member

**IMPORTANT: PLEASE READ NOTES OVERLEAF**





## Notes:

1. A member who is unable to attend the AGM and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/its behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon.
2. A proxy need not to be a member of the Company.
3. 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 of Singapore), 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, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
4. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instruction as to voting are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.
6. The instrument appointing a proxy, together with the letter or power of attorney or other authority under which it is signed or a duly certified copy thereof (if applicable), must be submitted either:
  - (a) if sent personally or by post, the proxy form must be lodged at the Company's registered office at 33 Ubi Ave 3, #02-16, Singapore 408868; or
  - (b) if by email, the proxy form must be received at [mail@koyointernational.com](mailto:mail@koyointernational.com);

in either case, **by no later than 22 April 2025, 3.00 p.m., being at least seventy-two (72) hours before the time appointed for holding the Meeting.**

A member who wishes to submit an instrument of proxy must complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

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

The proxy must bring along his/her NRIC/passport so as to enable the Company to verify his/her identity.

7.
  - (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 Shareholder's proxy form appoints more than one (1) proxy, the proportion of his/her/its shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat the proxy form as invalid.
  - (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 instrument appointing a proxy or proxies.

\* "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
8. For investors who hold shares under the SRS/CPFIS and wishes to vote, should approach their respective SRS Operators/CPF Agent Banks for any queries they may have with regard to the appointment of proxy for the AGM. Alternatively, investors may appoint Chairman of the AGM to vote their behalf, the voting instruction must be submitted to the Company, at least 7 working days (by 15 April 2025, 3:00 p.m.) before the AGM.

## General:

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

## PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 9 April 2025.

# CORPORATE INFORMATION

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## BOARD OF DIRECTORS

Wong Loke Tan  
Independent Non-Executive Chairman

Foo Suay Wei  
Managing Director and Chief Executive Officer

Foo Suay Lun  
Executive Director

Elaine Soong Siew Kim  
Independent Non-Executive Director

Ong Kai Hoe  
Independent Non-Executive Director

## AUDIT COMMITTEE

Wong Loke Tan (Chairman)  
Elaine Soong Siew Kim  
Ong Kai Hoe

## NOMINATING COMMITTEE

Elaine Soong Siew Kim (Chairman)  
Foo Suay Wei  
Ong Kai Hoe

## REMUNERATION COMMITTEE

Ong Kai Hoe (Chairman)  
Elaine Soong Siew Kim  
Wong Loke Tan

## COMPANY SECRETARY

Cheok Hui Yee  
Kong Wei Fung

## REGISTERED OFFICE

33 Ubi Ave 3 #02-16  
Singapore 408868  
Tel: 6744 9388  
Fax: 6744 0788  
Email: [mail@koyointernational.com](mailto:mail@koyointernational.com)  
Web: [www.koyotech.com](http://www.koyotech.com)  
Company Registration No. 200100075E

## SHARE REGISTRAR

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

## SOLICITOR

Terra Law LLC  
30 Raffles Place  
#09-06 BNI Tower  
Singapore 048622

## INDEPENDENT AUDITOR

Grant Thornton Audit LLP  
Public Accountants and  
Chartered Accountants  
8 Marina View  
Asia Square Tower 1, #40-04/05  
Singapore 018960  
Partner-in-charge: Tan Ee Choon  
Year of first appointment: Since the financial year ended  
31 December 2024

## PRINCIPAL BANKERS

DBS Bank Ltd  
OCBC Bank

## CONTINUING SPONSOR

SAC Capital Private Limited  
1 Robinson Road,  
#21-01 AIA Tower  
Singapore 048542



33 Ubi Avenue 3, #02-16  
Singapore 408868  
Tel : 6744 9388 | Fax: 6744 0788  
Email: [mail@koyointernational.com](mailto:mail@koyointernational.com)  
Web: [www.koyotech.com](http://www.koyotech.com)