



Far East Group Limited



# **FUTURE READY**

ANNUAL REPORT 2025

# OUR VISION

A highly motivated and inspired team, working in unison towards leadership, striving for excellence through quality and technology and being ever sensitive and responsive to its employees, customers and the society in which we live.

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This Annual Report has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). This Annual Report has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this 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 Audrey Mok (Telephone: (65) 6232 3210) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.

Founded in 1953, Far East Group is one of the pioneers in the refrigeration and air-conditioning business in Singapore and a leading regional distributor of commercial and light industrial refrigeration systems and products with more than 72 years of experience in the Heating, Ventilation, Air-conditioning and Refrigeration (“**HVAC&R**”) industry in Southeast Asia (“**SEA**”) and the People’s Republic of China (the “**PRC**” or “**China**”). In 2011, the Group was listed on the Catalist Board of the Singapore Exchange.

Headquartered in Singapore with approximately 400 employees globally, the Group has subsidiaries in Singapore, Malaysia, Indonesia, Vietnam, Myanmar, Hong Kong and the PRC. Other than our physical presence in SEA and the PRC, the Group also works with distributors and dealers in countries including Malaysia, Indonesia, Vietnam, Thailand, Myanmar, the Philippines, Mauritius, Sri Lanka, Turkey and Australia.

The Group is a comprehensive provider of refrigeration and air-conditioning systems, products and services to various industries including, but not limited to Commercial & Retail, F&B, Supermarkets, Cold-Storages, Warehouse and Logistics, Hospitality, Healthcare, Oil, Marine and Gas. Our manufacturing facilities for heat-exchangers and condensing units are based in the PRC and certain condensing units are built in Singapore. These heat-exchangers and condensing units are exported to various parts of SEA and the PRC. We are also engaged in the distribution of air-conditioning products and contracting and installation of air-conditioning systems in Singapore.

As a major **Wholesaler** and **Distributor** regionally, we represent multiple internationally renowned product brands in the refrigeration and air-conditioning market such as Bitzer, Danfoss, Schneider-Eliwell, Copeland, Mitsubishi and Aeroflex. We offer a full suite of services ranging from consultation, engineering design, equipment supplies, commissioning and after-sales support. Our long-standing and close relationships with our partners ensure genuine and quality products are readily available through our distribution network.

Our **Manufacturing** arm has also established itself as one of China’s leading providers of a comprehensive range of quality energy-efficient heat-exchangers, compressor rack systems and condensing units under our own brands “Eden” and “ELITE”.

Eden products are manufactured by Eden Refrigeration Manufacturing (Jiangsu) Co., Ltd. (ISO9001:2015) which produces international standard heat-exchangers using the latest design and heat transfer technology in manufacturing a wide range of unit coolers, brine coolers, condensers and custom coils for Commercial, Industrial and Marine applications. All our unit coolers and air-cooled condensers are Conformité Européenne (CE) certified and in compliance with the listed European Directives BS EN 60204-1:2006+A1:2009 on safety guidance on machinery.

ELITE’s compressor rack systems, outdoor packaged refrigeration units and condensing units are designed according to standards widely used in low-temperature storage, food processing, slaughtering processing, chemical, agricultural products processing, cold chain logistics, hospitals, supermarkets and other fields.

Our **Engineering Solutions** arm provides engineering solutions in our system designs to meet evolving customer needs and requirements; and knowing that every engineering challenge has an ultimate solution, drives us forward towards achieving excellence.

M-Tech Air-Con & Security Engineering Pte Ltd (“**M-Tech**”), established in Singapore since 1993, is an Air-Conditioning and Mechanical Ventilation (“**ACMV**”) service provider for residential and commercial buildings, with vast experience and technical expertise in the design, supply and installation of ACMV and electrical systems.

M-Tech is a registered contractor with the Building and Construction Authority of Singapore (BCA), and certified in Air-conditioning, Refrigeration & Ventilation Works (ME01–L6), Communication & Security Systems (ME04–L1) and Electrical Engineering (ME05–L1).

RSP Systems Pte. Ltd. is the System Integration arm of Far East Group in Singapore, specialising in providing a host of monitoring systems ranging from temperature monitoring, energy & resource monitoring, alarms management & asset management system tools, to incorporating Internet of Things (IoT) devices from Eliwell, Schneider Electric and other third-party devices. These systems allow quick deployment, full system management control and data analytics for troubleshooting and improving efficiency of any refrigeration and HVAC&R system.

Environmental, Social, and Governance (“**ESG**”) and Sustainability considerations have always been integral to Far East Group’s core values, forming a key aspect of our long-term business strategy. We are grateful for the opportunity to share our achievements and ambitions in these areas. The Group is committed to collaborating with our suppliers and customers to phase out harmful gases and develop energy-efficient products, which are two areas that can yield mutual benefits for both our business and society at large. At the same time, we recognise that our people are crucial to our success. As such, we place significant emphasis on nurturing their growth by enhancing their training and development and prioritising their health and safety. We understand that it is our responsibility to meet and exceed the expectations of our stakeholders. In pursuit of this, we are dedicated to delivering high-quality and safe products, maintaining financial stability and tackling cybersecurity risks through robust internal controls, policies and measures.



# CHAIRMAN & CEO'S MESSAGE

## DEAR SHAREHOLDERS,

On behalf of the Board of Directors (“**Board**” or “**Directors**”), I am pleased to present to you the annual report of Far East Group Limited (“**Far East Group**” or the “**Group**”) for the financial year ended 31 December (“**FY**”) 2025.



In FY2025, the Group kept its focus on maintaining operational efficiency while fostering deeper engagements with our customers, ensuring that we are responsive and well-positioned to meet their needs at every opportunity. These efforts to strengthen our relationships with our customers contributed to our recovery, enabling us to continue with our growth to achieve a stronger performance in FY2025. The Group saw improved sales performance in the Wholesale and Distribution segment, driven by significant contributions from Malaysia and Indonesia. The performance of the Manufacturing segment continued to recover in line with China's economy. The Engineering Solutions segment saw a reduction in revenue mainly due to the key projects approaching completion during the year while the ramp up of the newer awarded contracts had not commenced.

In view of the volatile economic environment with the global trade tensions, the Group continued to face rising operational costs. The Group continued to face cost pressures, especially with labour and subcontractor costs remaining high. Talented and skilled labour with engineering skillsets remain short in supply or come at high costs for the Engineering Solutions segment. The Wholesale and Distribution segment faced price increases from suppliers for materials and increasing competition. This underscores the importance of building and maintaining strong relationships with our suppliers and customers for their support. In the Manufacturing segment, the Group continued its promotion and creation of customer awareness in our push for using greener, high-efficiency and more sustainable refrigeration cooling systems using natural gases, such as carbon dioxide (CO<sub>2</sub>), a natural gas refrigerant with low global warming potential (GWP)

of 1. Our research and development in these areas strives to improve efficiency and productivity for the end-users, lowering their carbon emissions.

The Group will have to navigate the ongoing uncertain geopolitical tensions and tariffs imposed by the USA. The war in the Middle East may result in greater uncertainties in terms of raw material costs, higher energy prices and supply chain disruptions. The Group takes a cautious stance in monitoring the indirect spillover effects on our business. Nevertheless, the Group expects the boost in the construction industry in the Singapore market to have a spillover effect on our Engineering Solutions segment and position us for improved performance in the coming year. We will stay focused on delivering better results and growth in our business. We thank all our staff for their perseverance and resilience in contributing to the Group's performance in FY2025.

## Operations and Financial Review

The Group's revenue decreased by S\$9.5 million or 9.7% to S\$89.2 million in FY2025 from S\$98.7 million in FY2024. The decrease in revenue was from the Engineering Solutions segment.

The Wholesale and Distribution segment and the Engineering Solutions segment accounted for 40.2% and 38.4% of the Group's total revenue, respectively, in FY2025. The Manufacturing segment accounted for the remaining 21.4%.

Despite the reduction in revenue, gross profit increased by S\$0.2 million or 1.2% to S\$18.8 million in FY2025 from S\$18.6 million in FY2024, with gross profit margin increasing by 2.3 percentage points to 21.1% from 18.8% over the comparative period mainly due to the write-back of allowance for obsolete and slow-moving inventories during FY2025 and adjustments in products' selling prices.

The Group generated S\$19.3 million in net cash flows from operating activities. Net cash flows generated from investing activities of S\$2.5 million were mainly from the proceeds from disposal of investment securities and investment property as well as dividend received, partially offset by purchase of fixed assets. The Group used S\$18.4 million net cash flows in financing activities for the repayment of loans and trade facilities as well as the payment of dividends to shareholders. Cash and cash equivalents increased from S\$6.5 million as at 31 December 2024 to S\$9.8 million as at 31 December 2025.

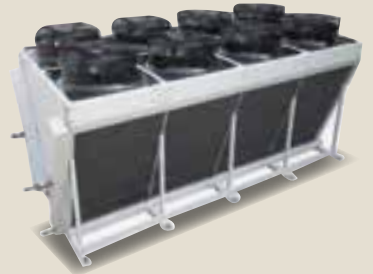
The Group reported a net profit attributable to shareholders of S\$2.2 million in FY2025, compared with S\$3.0 million in FY2024. Profit per share stood at 2.00 cents in FY2025, compared with 2.68 cents in FY2024, while net asset value per share increased to 42.9 cents as at 31 December 2025 from 38.7 cents as at 31 December 2024.

### Dividend

The Company has recommended a final (tax exempt one-tier) dividend of 0.18 cents per ordinary share for FY2025, subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company.

### Appreciation

On behalf of my fellow Directors, I would like to thank all shareholders, customers and business partners for your continued support and trust. I would also like to extend my sincere appreciation to our management and staff for their perseverance, hard work and dedication to deliver the results of FY2025 despite a challenging year.



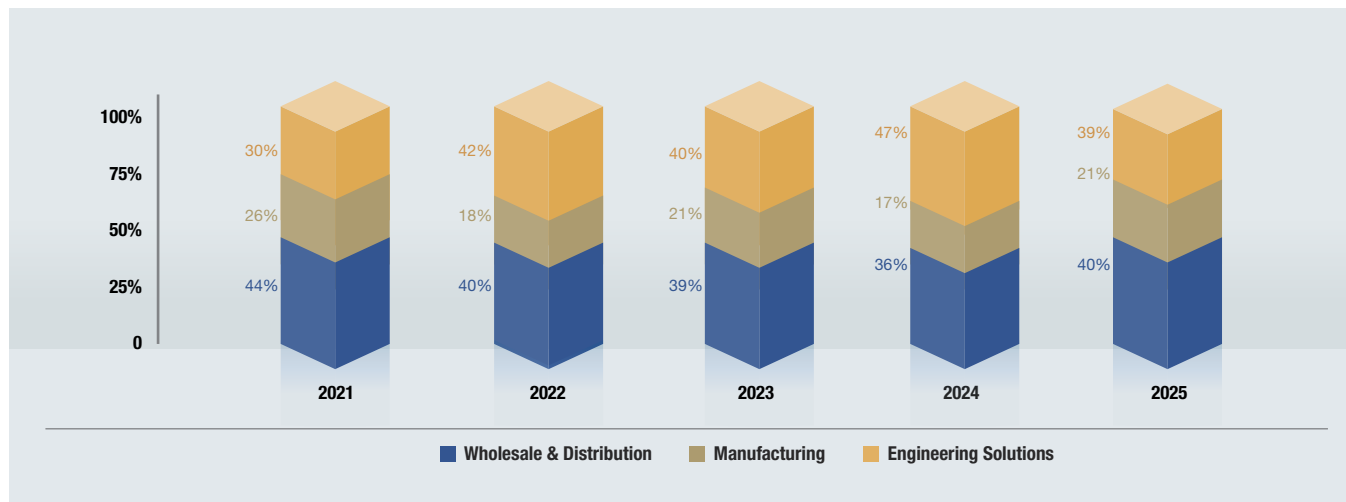
*Eden Industrial Unit Cooler*



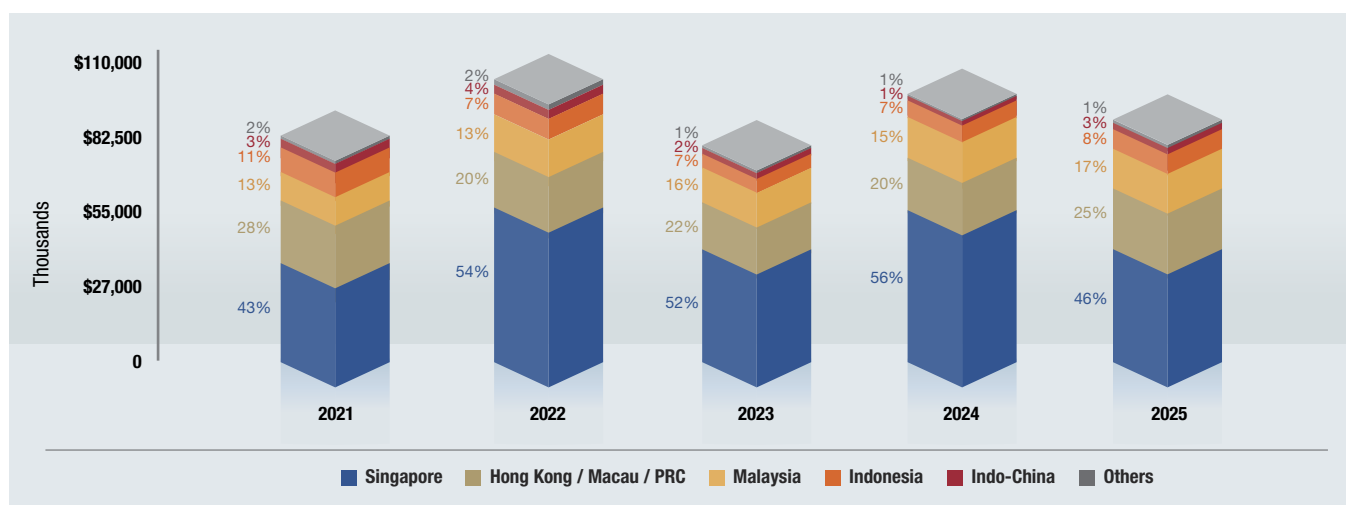
# AT A GLANCE

## PERFORMANCE & PROFITABILITY

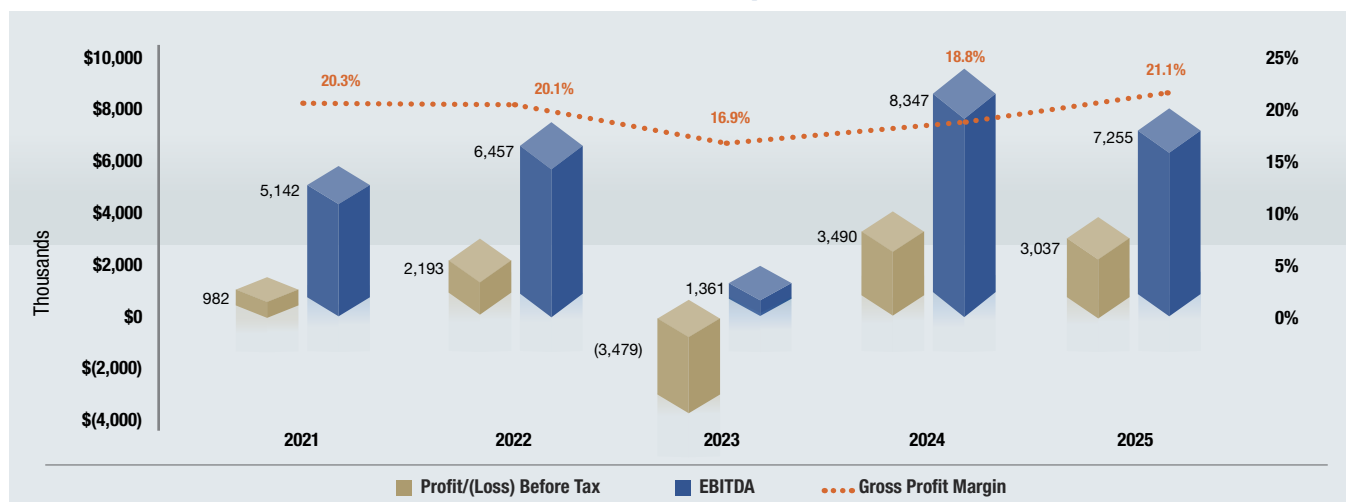
### Segmental Revenue Contribution



### Geographical Revenue Contribution

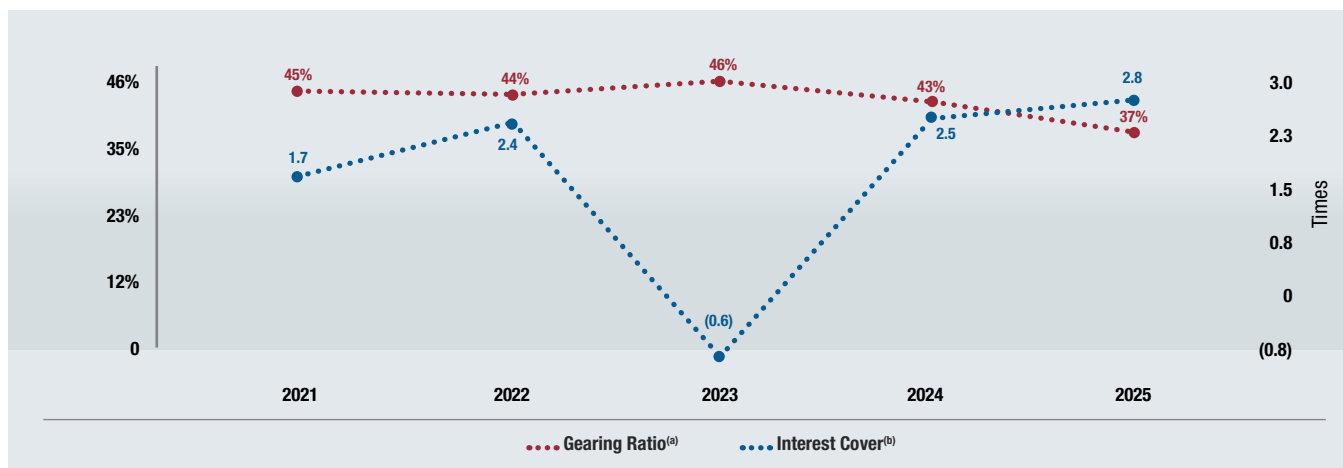


### Profitability



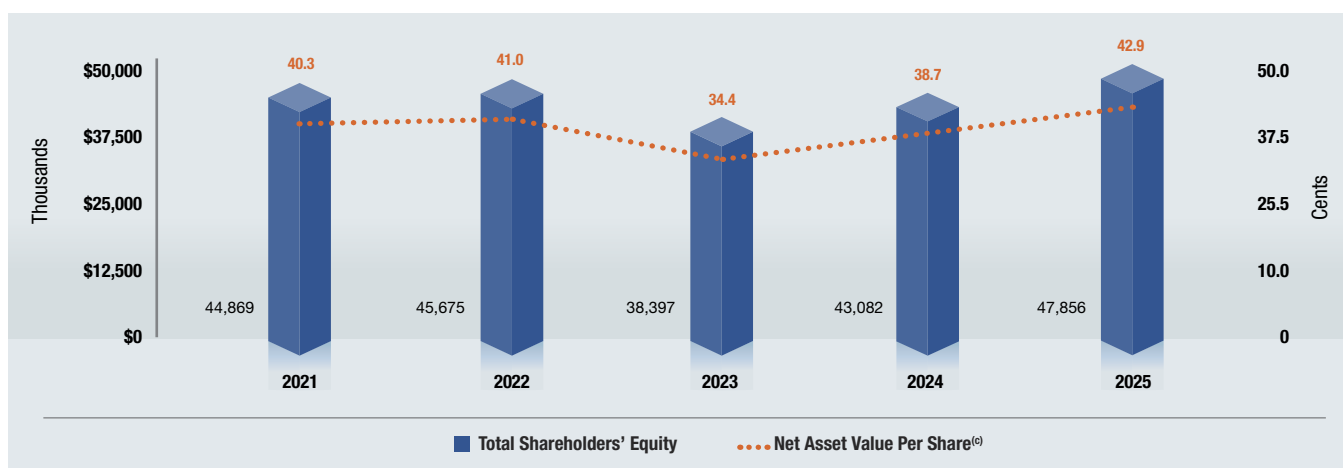
## CASH FLOWS

### Gearing Ratio and Interest Cover



## SHAREHOLDER VALUE

### Net Assets



Notes:

<sup>(a)</sup> Gearing ratio represents the ratio of total borrowings to total shareholders' equity plus total borrowings.

<sup>(b)</sup> Interest cover represents the ratio of earnings before interest and tax to total finance costs.

<sup>(c)</sup> Net asset value per share is computed based on 111,462,000 issued shares as at 31 December 2025, 31 December 2024, 31 December 2023, 31 December 2022 and 31 December 2021 respectively.

# BOARD OF DIRECTORS



## STEVEN LOH

**Executive Chairman and Chief Executive Officer**

Mr Steven Loh (“**Mr Loh**”) was appointed to the Board of Far East Group in 1990. He has close to 35 years of experience in the HVAC&R industry. He is responsible for the formulation and execution of the Group’s business strategies, strategic directions and expansion plans, as well as managing the Group’s overall business development and financial performance.

Mr Loh joined the Group in 1990 as a Retail Sales Executive and has progressively advanced through the ranks to become the Group’s Assistant Managing Director in 2000, overseeing its operations and financial performance. In 2003, he was appointed as the Group’s Managing Director and was subsequently appointed as the Group’s Executive Chairman and CEO. On 3 December 2024, he was appointed as a member of the Board Sustainability Committee (the “**BSC**”).

Mr Loh graduated from the University of the Pacific, Stockton, California, with a degree in Bachelor of Science in Electrical Engineering in 1987. In 1996, he obtained a Master of Business Administration from the University of South Australia. On 24 June 2011, he was awarded the Outstanding Entrepreneur in the Asia Pacific Entrepreneurship Award 2011.



## DAVID LENG

**Chief Operating Officer and Executive Director**

Mr David Leng (“**Mr Leng**”) joined the Group as Business Development Director and Assistant Group Managing Director in 2004, and was appointed to the Board in 2005. He is responsible for overseeing the Group’s sales, strategic marketing and business development functions, as well as driving the growth of the Group’s business in the South-East Asia region.

Mr Leng has held several managerial positions in the automotive and leasing industry since the start of his career before joining Barcelona Motors Pte Ltd and Perocom Motors Pte Ltd (both of which are distributors of new motor vehicles) as the General Manager, where he was mainly responsible for overseeing the companies’ day-to-day operations and financial performance from 1995 to 2003.

Mr Leng obtained his Industrial Technician Certificate in Mechanical Engineering from the Singapore Technical Institute in 1977 and his Certificate in Sales and Marketing from the Marketing Institute of Singapore in 1990.



## **KAREN LOH**

**Vice-President (China) and Executive Director**

Ms Karen Loh (“**Ms Loh**”) was appointed to the Board on 28 June 2011 and subsequently appointed as the Non-Executive Chairman of the Group on 24 February 2017. On 2 January 2025, Ms Loh was re-designated as Vice-President (China) and Executive Director, overseeing the overall business strategy, operations and development of the Group’s business in China.

Ms Loh commenced her career as a management trainee with the Group in 1988. From 1992 to 1993, she was an Accounts Executive of the Group and was responsible for the accounts of the Group’s subsidiaries. From 1993 to 1997, she pursued her studies in Australia. From 1997 and 2000 onwards, she became the Director of Far East Refrigeration (Hong Kong) Limited and Far East Refrigeration Limited, respectively.

Ms Loh obtained an Advanced Certificate in Accounting from Alexander College in 1994.



## **WILSON HO**

**Lead Independent Non-Executive Director**

Mr Wilson Ho (“**Mr Ho**”) was appointed as the Lead Independent Director of the Board on 1 September 2020. He is currently the Managing Director of Asia of Westcon-Comstor, a value-added global technology distributor of category-leading solutions in Security, Collaboration, Networking and Data Centre, where he is responsible for managing the business across 11 markets in Asia.

His experiences over the last more than 20 years include working in the capital markets group of DBS Bank Ltd, holding the position as a Chief Financial Officer of a SGX-Main Board listed company, as well as building and managing a regional IT distribution group.

Mr Ho graduated from Nanyang Technological University in 1994 with a Bachelor of Accountancy (Hons) degree. He is a Chartered Accountant, Singapore (CA Singapore) and a Chartered Financial Analyst (CFA).

# BOARD OF DIRECTORS



## LINDA HOON SIEW KIN

Independent Non-Executive Director

Ms Linda Hoon (“**Ms Hoon**”) was appointed to the Board on 24 May 2024. On 3 December 2024, she was appointed the Chairman of the BSC.

Ms Hoon has over three decades of experience as a C-suite executive and has worked in several SGX-listed large-cap corporations in financial industry, conglomerate, e-commerce, hospitality and healthcare. Ms Hoon is currently an Independent Director of Kidney Dialysis Foundation, Tru-Marine Pte Ltd. and Hoe Leong Corporation Ltd..

Ms Hoon is currently General Counsel and Head of Regulatory Affairs, Risk and Compliance, Asia at Specialist Risk Group Singapore Pte. Ltd.. She is also an Adjunct Lecturer teaching business law at the National University of Singapore, School of Business. Ms Hoon was called to the Singapore Bar in 1987. She is a member of the Singapore Institute of Directors and the Singapore Academy of Law.



## Tan Soon Liang

Independent Non-Executive Director

Mr Tan Soon Liang (“**Mr Tan**”) was appointed to the Board on 24 May 2024. He is the Founder and Managing Director of Ti Ventures Pte. Ltd., which invests in growing businesses and partners with business owners through corporate development, business transformation and mergers and acquisitions functions since May 2009. He is also the Managing Director of Omnibridge Capital Pte. Ltd. since December 2014, which focuses on early stage angel and venture capital investments.

Mr Tan is currently an Independent Director of ISDN Holdings Limited, ValueMax Group Limited, Stamford Land Corporation Limited, Choo Chiang Holdings Limited and EuroSports Global Limited.

Mr Tan graduated with a Bachelor of Business (Honours) Degree, majoring in Financial Analysis from Nanyang Technological University (“**NTU**”) in 1997 and a Master of Business Administration Degree from the University of Hull, United Kingdom in 2001. He is a CFA® charterholder from CFA Institute, United States of America since 2000 and a member of the Singapore Institute of Directors since 2022.

He also serves as the President of NTU Nanyang Business School Alumni Association and a Board Director of Spectra Secondary School. He is also serving on the School Advisory Committee of Bukit Panjang Government High School.

# EXECUTIVE OFFICERS & KEY MANAGEMENT



## FRANCIS LAI

### Chief Financial Officer and Company Secretary

Mr Francis Lai (“Mr Lai”) has over 26 years of experience in various finance-related roles. He joined the Group in 2011 as Senior Finance and Business Development Manager and was involved in the Group’s listing on the SGX-Catalist Board. He was promoted to Chief Financial Officer of the Group in 2014 and was appointed as Company Secretary in 2017. On 3 December 2024, he was appointed as a member of the BSC.

Mr Lai is responsible for the Group’s finance functions and strategising its growth. He also develops the Group’s risk management policies, internal controls procedures and manages its insurance policies. Additionally, he oversees the Group’s merger and acquisition (“M&A”) processes as part of the its business expansion plans, having successfully led and completed several M&A deals that contributed to increased revenue. Prior to joining the Group, he spent 11 years in the semiconductor industry, taking on a wide spectrum of finance and accounting roles in financial and management accounting and M&A.

Mr Lai started his career as an entrepreneur in the education industry while pursuing his Bachelor of Arts degree in the National University of Singapore where he graduated with an Honours degree in Arts specialising in Japanese Studies. He is a Fellow Chartered Accountant of Singapore (FCA Singapore), a Fellow of the Association of Chartered Certified Accountants (FCCA) and a member of the Singapore Institute of Directors.



## RICHARD CHUNG

### Director of Research & Development

Mr Richard Chung (“Mr Chung”) joined the Group as a Sales and Marketing Executive in 1995 and has served in various capacities, including Sales and Marketing Manager and Divisional Director (Systems and Projects). In his previous role as Head of Systems and Projects, he led the Group’s project teams, including General Managers (Projects) and Project Managers, ensuring that projects were properly planned, adequately resourced and delivered in accordance with the commitments. He also possesses extensive knowledge of Energy Management System (EMS).

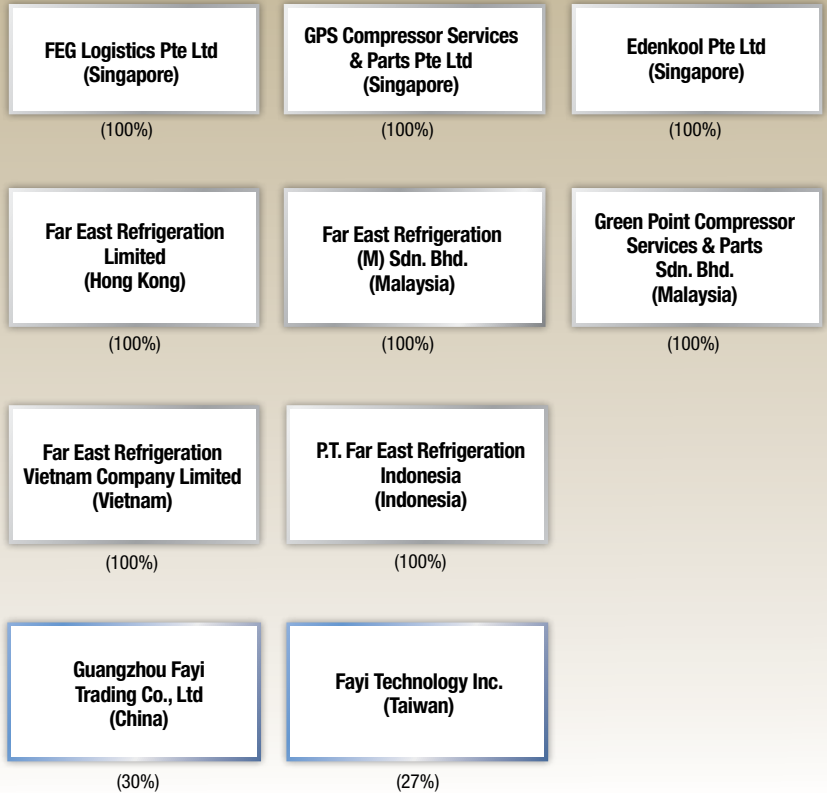
On 1 October 2018, he was promoted to Director of Research & Development, where he is responsible for the development and design of the new generation heat-exchangers and the technology behind the Group’s “Eden” brand of products. He leads innovation in thermal performance, specialising in optimised surface areas for fin tubes, fluid dynamics and oversees the design of efficient heat-exchangers for HVACR; focusing on enhanced heat transfer, uniform distribution of liquid-vapour mixtures, reduced air-side pressure drop and improved manufacturing techniques. He is currently leading a team in the development of heat-exchangers and compressor packs using environmentally friendly refrigerants that include natural gases like carbon dioxide (CO<sub>2</sub>) and ammonia (NH<sub>3</sub>) to meet new regulatory requirements to reduce greenhouse gases that cause global warming.

Mr Chung obtained his degree in Bachelor of Science (Physics) from the National University of Singapore in 1993.

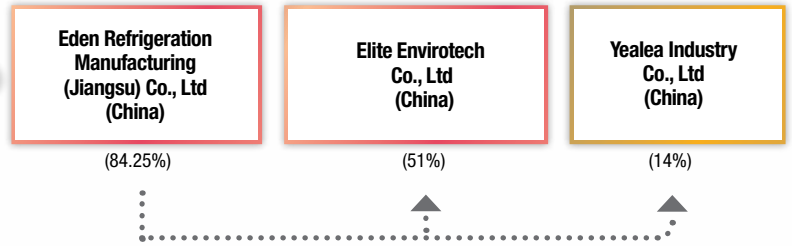
# GROUP STRUCTURE



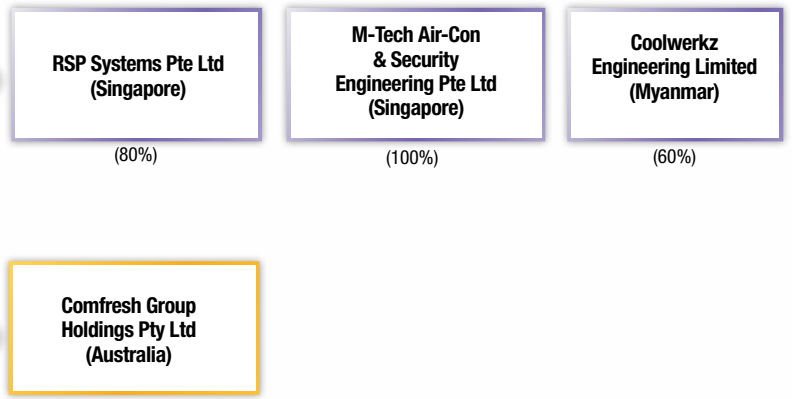
## WHOLESALE & DISTRIBUTION



## MANUFACTURING



## ENGINEERING SOLUTIONS



\* Please note that the entities listed in this section are our principal subsidiaries and associated companies, as well as investment in unquoted securities.

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# CORPORATE GOVERNANCE REPORT

The Board of Directors (the “**Board**” or “**Directors**”) of Far East Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) recognises the importance of and is committed to maintaining a high standard of corporate governance. Good corporate governance provides the framework for an ethical and accountable corporate environment, which will protect the interests of the Company’s shareholders and promote investor confidence.

This report outlines the Group’s corporate governance practices and structures that were in place for the financial year ended 31 December 2025 (“**FY2025**”), with specific reference made to each of the principles and the provisions of the Code of Corporate Governance 2018 (the “**Code**”). Pursuant to Rule 710 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (“**Catalist Rules**”), the Board confirms that the Company has complied with the principles of the Code for FY2025 and in respect of any deviation from provisions of the Code, appropriate disclosures and explanations are provided in this report in accordance to the requirements of the Catalist Rules.

## BOARD MATTERS

### The Board’s Conduct of Affairs

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

***Provision 1.1: Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.***

The Board is entrusted with the responsibility for the overall management of the business and corporate affairs of the Group. It focuses on strategies and policies, with particular attention paid to growth and financial performance. The Board works with the management of the Company (the “**Management**”) to achieve this, and the Management remains accountable to the Board.

The primary functions of the Board, apart from its statutory duties, include:

- To guide the formulation of the Group’s overall long-term strategic objectives and directions, corporate strategy and objectives as well as business plans, taking into consideration sustainability issues;
- To oversee and review the management of the Group’s business affairs and financial controls, performance and resource allocation, including ensuring that the required financial and human resources are available for the Group to meet its objectives;
- To establish a framework of prudent and effective controls to assess and manage risks and safeguard shareholders’ interests and the Group’s assets;
- To review the Management’s performance;
- To set the Group’s approach to corporate governance, including establishment of ethical values and standards; and
- To balance the demands of the business with those of the Company’s stakeholders and ensure that obligations to shareholders and other stakeholders are met.

The Company has an established Code of Conduct which are updated accordingly that sets out the principles of business ethics and conduct for the Group and covers significant areas including appropriate business conduct and ethics, safeguarding of confidential information and prohibition on insider trading, anti-bribery, corruption and fraud measures, and conflicts of interest and non-competition. All employees of the Group are to uphold these principles and conduct themselves with high standards of integrity that are in compliance with laws and regulations of the jurisdictions in which it operates.

All Directors exercise due diligence and independent judgement, and are obliged to act in good faith and consider at all times, the interests of the Company. When an actual, potential and perceived conflict of interest arises, the Director concerned must disclose such interest, recuse himself from discussions and decisions involving the matter, and abstain from voting on resolutions regarding the matter.

# CORPORATE GOVERNANCE REPORT

**Provision 1.2: Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.**

The Executive Directors are appointed by way of service agreements while the Non-Executive Directors are appointed by way of letters of appointment. The duties and responsibilities of Directors are clearly set out in these service agreements and letters of appointment.

The Board ensures that newly-appointed Directors are orientated on the Group's business strategies, operations and governance practices to facilitate the effective discharge of their duties. For newly-appointed Directors who do not have prior experience as a director of a public listed company in Singapore, they will attend training in the roles and responsibilities of a director of a listed company as prescribed by the SGX-ST pursuant to Rule 406(3)(a) of the Catalist Rules and Practice Note 4D, within one (1) year from their appointment dates and other training institutions in areas such as accounting, legal, sustainability and industry-specific knowledge, where appropriate, in connection with their duties.

Existing Directors are provided with an insight into the Group's operational facilities and periodically meet with the Management to gain a better understanding of the Group's business operations. The Board as a whole is updated on risk management and the key changes in the relevant regulatory requirements which have an important bearing on the Company and the Directors' obligations to the Company.

The Company is responsible for arranging and funding the training of Directors. Board members have been and will be encouraged to attend seminars and receive training to improve themselves in the discharge of their duties as Directors. The Company works closely with its professional advisors to provide its Directors with updates on changes to relevant laws, regulations and accounting standards. During FY2025, Directors were provided with briefings and updates on: (i) the developments in financial reporting and governance standards by the external auditor, Ernst & Young LLP; (ii) changes in the relevant laws and regulations pertaining to the Group's business and changing commercial risks and business conditions of the Group by the Management during Board and/or Board Committee meetings; and (iii) updates to the Catalist Rules and regulatory guidelines by the Company's sponsor, SAC Capital Private Limited, and the Company Secretaries.

**Provision 1.3: The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.**

The Group has adopted internal guidelines for the Management, setting forth matters that require the Board's approval. Matters which are reserved for the Board's decision, include, *inter alia*:

- Corporate strategies and business plans;
- Investment and divestment proposals;
- Material acquisitions and disposals of assets;
- Funding decisions of the Group;
- Appointment or removal of Directors, Executive Officers and Company Secretaries;
- Annual budgets, interim and full-year results announcements, the annual reports and financial statements;
- Recommendation/declaration of dividends;
- Interested person transactions;
- Identification of the key stakeholder groups and recognition that their perceptions affect the Company's reputation; and
- All matters of strategic importance.

# CORPORATE GOVERNANCE REPORT

**Provision 1.4: Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.**

The Board has delegated certain matters to specialised committees of the Board (the "Board Committees"). These committees include the Audit Committee ("AC"), the Nominating Committee ("NC"), the Remuneration Committee ("RC") and the Board Sustainability Committee ("BSC"), all of which operate within clearly defined and written terms of reference and functional procedures, which are reviewed on a regular basis and can be found in the subsequent sections of this report. They assist the Board in the effective and efficient discharge of its duties and responsibilities. The Board acknowledges that, while the Board Committees have the authority to review specific issues and report their decisions and recommendations to the Board, ultimate responsibility for all matters remains with the Board.

More details on each of the Board Committees, including the names of the committee members, terms of reference, any delegation of the Board's authority to make decisions and a summary of their activities, are set out in the subsequent sections of this report.

**Provision 1.5: Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.**

The Board meets regularly with at least two (2) scheduled meetings held within each financial year. Where necessary, additional meetings may be held to address significant transactions or issues. The constitution of the Company (the "Constitution") also provides for telephonic and video-conference meetings. Important matters concerning the Group or informal discussions on matters requiring urgent attention can also be put to the Board and Board Committees formally for decision by way of written resolutions.

The number of Board and Board Committee meetings held and attended by each Board member for FY2025 is set out as follows:

	Board	Board Committees				General Meetings Annual
		Audit	Nominating	Remuneration	Sustainability	
<b>Number of meetings held</b>	4	2	1	1	3	1
<b>Number of meetings attended</b>						
Mr Steven Loh Mun Yew	4	2*	1*	1*	3	1
Mr David Leng Chee Keong	3	1*	-	-	2*	1
Ms Karen Loh Pui Lai	4	2*	1*	1*	3*	1
Mr Ho Boon Chuan Wilson	4	2	1	1	3*	1
Ms Linda Hoon Siew Kin	4	2	1	1	3	1
Mr Tan Soon Liang	4	2	1	1	3*	1

\* By invitation

While the Board considers Directors' attendance at Board meetings as important, it should not be the only criterion to measure their contributions. The Board also takes into account the contributions by Board members in other forms, including periodic reviews and the provision of guidance and advice on various matters relating to the Group.

When a Director has multiple board representations, the NC considers if the Director is able to and has adequately carried out his duties as a Director, taking into consideration the Director's number of listed company board representations and other principal commitments. The Board and the NC have established a guideline on the maximum number of listed company directorships and other principal commitments that each Director is allowed to hold and this guideline can be found under Provision 4.5 below.

# CORPORATE GOVERNANCE REPORT

**Provision 1.6: Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.**

The Directors are provided with complete, adequate and timely information prior to Board and Board Committee meetings to ensure that the Directors have adequate time to review the same and request further explanations, where necessary. Each member of the Board has complete access to such information regarding the Group as may be required for the discharge of his duties and responsibilities.

Prior to each Board meeting, the Directors are provided with the relevant documents and information in advance, including background and explanatory statements, financial statements, budgets, forecasts and progress reports of the Group's business operations, in order for the Directors to be adequately prepared for the meetings and to comprehensively understand the issues to be deliberated upon and make informed decisions thereon. In respect of the annual budget of the Group, material variance between budgeted results and actual results will be disclosed and explained by the Management at Board meetings.

The Management also informs the Board of all significant events as and when they occur and circulate Board papers and supporting information on significant transactions or corporate actions to facilitate a robust discussion before the transactions are entered into or the corporate actions are commenced. Management personnel, if required, attends Board and/or Board Committee meetings to address queries from the Directors. The Directors also have unrestricted access to the Management. Requests for the Company's information by the Board are dealt with promptly.

**Provision 1.7: Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.**

The Directors have separate and independent access to the Management, the Company Secretaries and the external auditor at all times. Queries by individual Directors on the Company's developments, management proposals or papers are directed to and answered by the Management.

At least one of the Company Secretaries attends Board and Board Committee meetings and ensures that Board procedures and the provisions of the Companies Act 1967 (the "**Companies Act**"), the Constitution and the Catalist Rules are followed. The Company Secretaries also ensure good information flows within the Board and the Board Committees and between the Management and Non-Executive Directors, and also assist with the circulation of Board papers and the updating of the Directors on changes in laws and regulations relevant to the Group. The appointment and removal of the Company Secretaries are subject to the Board's approval.

In addition, the Directors, either individually or as a group, are provided with direct access to the Group's independent professional advisors, to seek separate independent professional advice on the Company's affairs or in respect of his fiduciary or other duties, where necessary. Each Director (whether as an individual member or as a group) has the right to seek independent legal and other professional advice at the expense of the Company, in relation to matters concerning any aspect of the Group's operations or undertakings in order to fulfil his duties and responsibilities as a Director.

## **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.**

**Provision 2.1: An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.**

As at the date of this report, the Board comprises six (6) members, consisting of three (3) Executive Directors and three (3) Independent Directors as follows:

Mr Steven Loh Mun Yew	Executive Chairman and Chief Executive Officer (" <b>CEO</b> ")
Mr David Leng Chee Keong	Chief Operating Officer (" <b>COO</b> ") and Executive Director
Ms Karen Loh Pui Lai	Vice-President (China) and Executive Director
Mr Ho Boon Chuan Wilson	Lead Independent Director
Ms Linda Hoon Siew Kin	Independent Director
Mr Tan Soon Liang	Independent Director

# CORPORATE GOVERNANCE REPORT

The Independent Directors have confirmed that they do not have any relationship with the Company or its related corporations or its officers or its substantial shareholders that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement with a view to the best interests of the Company. The Board, taking into account the views of the NC, has determined that Mr Ho Boon Chuan Wilson, Ms Linda Hoon Siew Kin and Mr Tan Soon Liang are independent in character and judgement, and that there are no relationships or circumstances which are likely to affect, or could appear to affect, their judgement. The independence of each Director is reviewed annually and as and when circumstances required by the NC based on the guidelines set forth in the Code and the Catalist Rules. Pursuant to Rule 406(3)(d)(iv) of the Catalist Rules, none of the Independent Directors has been appointed for an aggregate period of more than nine (9) years.

***Provision 2.2: Independent directors make up a majority of the Board where the Chairman is not independent.***

The Company endeavours to maintain a strong and independent element on the Board. Mr Steven Loh Mun Yew (Executive Chairman and CEO) and Ms Karen Loh Pui Lai (Vice-President (China) and Executive Director) are immediate family members. As the three (3) Independent Directors on the Board form 50% composition of the Board, Provision 2.2 is not satisfied.

The Board is of the view that the current Board size and composition are appropriate for the time being for the facilitation of effective decision making on the part of the Board, taking into account the nature and scope of the Company's operations and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees. The Board is of the opinion that, given the scope and nature of the Group's operations, it is neither necessary nor cost-effective to have Independent Directors making up majority of the Board. The present composition of the Board demonstrates independence and is appropriate for effective decision making. To address the issue of independence, the Board has put in place a Lead Independent Director, who is available to shareholders where they have concerns. The Board is of the view that the Independent Directors demonstrate a strong level of independence and judgement over the years in discharging their duties and responsibilities as Independent Directors of the Company with the utmost commitment in upholding the interests of the non-controlling shareholders. They have expressed individual and independent viewpoints, debated issues, and objectively scrutinized and challenged the Management. No individual or small group of individuals dominates the Board's decision-making process. All major decisions made at the Board are unanimous and the Independent Directors have not been outvoted.

***Provision 2.3: Non-executive directors make up a majority of the Board.***

As at the date of this report, the Board comprises six (6) Directors, three (3) of whom are Non-Executive Directors. As the three (3) Non-executive Directors on the Board form 50% composition of the Board, Provision 2.3 is not satisfied.

The Board and the NC is of the view that no individual or small group of individuals dominates the Board's decision-making process, with all the Board Committees being chaired by Independent Directors.

***Provision 2.4: The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.***

The Company recognises and embraces the importance and benefits of having a diverse Board to better support the Company's strategic objectives for inclusive growth and sustainable development, by enhancing the decision-making process of the Board through garnering diverse perspectives across various skills, industry disciplines, business experiences, genders, age, ethnicities, cultural and geographical backgrounds, nationalities and other personal strengths and distinguishing qualities of the Directors. In compliance with Rule 710A of the Catalist Rules, the Board has approved and adopted the board diversity policy of the Company ("**Board Diversity Policy**"), to formalise the Company's approach to achieve diversity on the Board. A copy of the Board Diversity Policy has been made available on the Company's website, and can be found at [www.fareastgroup.com.sg](http://www.fareastgroup.com.sg).

Under the Board Diversity Policy, the NC will review and assess the Board composition on behalf of the Board, on at least an annual basis, having regard to, amongst others, the benefits from all aspects of diversity, including the skills, experience, gender and knowledge of the Directors, the core competencies of the Directors, both individually and collectively as a group in the context, nature and scope of the Group's operations and business.

The Board Diversity Policy provides that any search firm engaged, where required, to assist the Board or a committee of the Board in identifying candidates for appointment to the Board will be specifically required to include diverse, experienced and reputable candidates. All appointments to the Board are based on merit, in the context of the skills, experience, independence

# CORPORATE GOVERNANCE REPORT

and knowledge which the Board requires to be effective, and will take into consideration a range of diversity perspectives as described in the Board Diversity Policy to promote boardroom diversity. In this regard, the NC is responsible for:

- (a) ensuring that boardroom diversity objectives are adopted in an effective and practical manner in Board recruitment, Board performance evaluation and succession planning processes; and
- (b) defining and setting the relevant measurable objectives for promoting and achieving diversity on the Board, and to make its recommendations for consideration and approval by the Board.

The Board will review and assess the effectiveness of the Board Diversity Policy on an annual basis to ensure that the objectives of the Board Diversity Policy are met and remain effective for the Company. At any given time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

The Board aims to have an appropriate mix of members with complementary skills, core competencies and experience. Currently, the Board comprises Directors from diverse backgrounds and varied expertise in accounting, finance, legal, engineering, business, marketing and management fields. The profile of each of the Directors is disclosed in the “Board of Directors” section of the Annual Report 2025.

The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:

<b>Balance and Diversity of the Board members</b>		
	<b>Number of Directors</b>	<b>Proportion of the Board</b>
<b>(i) Core Competencies</b>		
Accounting and financing expertise	5	83%
Legal or corporate governance / compliance expertise	5	83%
Relevant industry knowledge and sustainability expertise	4	67%
Strategic planning and risk management expertise	6	100%
Business, marketing and management fields	6	100%
<b>(ii) Gender</b>		
Male	4	67%
Female	2	33%

The Board recognises the Singapore’s Diversity Action Committee’s progressive target of having at least 30% female representation on boards of Singapore-listed companies by 2030. In support of gender diversity, the NC ensures that appropriate efforts are made to include suitably qualified women in the list of director candidates, while reviewing the optimum composition and balance of the Board in order to ensure the right blend of skills, experience relevant to the Group’s business and ability to contribute effectively is kept a priority. The Board currently comprises four (4) male Directors and two (2) female Directors, which is equivalent to 33% female representation on the Board, meeting the gender diversity target.

The Board, through the NC, has examined its current size and diversity, and is of the view that the Board is of an appropriate size and composition for effective decision-making after taking into account the scope and nature of the operations of the Group. Further, the NC is of the view that no individual or small group of individuals dominates the Board’s decision-making process.

The Board will continue to emphasise and consider the various provisions of the Board Diversity Policy when considering any future appointments of Directors to the Board.

**Provision 2.5: Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.**

The Independent Directors constructively challenge and assist in the development of proposals on strategy, assist the Board in reviewing the performance of the Management in meeting agreed goals and objectives, and monitor the reporting of performance. When necessary, the Independent Directors have discussions amongst themselves without the presence of the Management.

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## **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.**

***Provision 3.1: The Chairman and the Chief Executive Officer (“CEO”) are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.***

Notwithstanding Provision 3.1 of the Code which requires that the chairman and CEO are separate persons, the Executive Chairman, Mr Steven Loh Mun Yew, is also the Group’s CEO. There is, however a clear division of responsibilities between the role of the Executive Chairman and the CEO to ensure that there is appropriate balance of power, increased accountability and sufficient capacity of the Board for independent decision-making as reflected in Provision 3.3.

***Provision 3.2: The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.***

The Executive Chairman of the Company, plays a vital role in setting the Company’s vision and objectives and providing guidance to the Group. The responsibilities of the Executive Chairman include:

- (a) managing the business of the Board and monitoring the translation of the Board’s decisions and directions into executive actions;
- (b) approving the agendas for the Board meetings and ensuring sufficient allocation of time for thorough discussion of each agenda item;
- (c) promoting an open environment for debate, and ensuring that Independent Directors are able to speak freely and contribute effectively;
- (d) exercising control over the quality and quantity of the information as well as the timeliness of the flow of information between the Board and the Management; and
- (e) fostering constructive dialogue between shareholders, the Board and the Management.

The CEO of the Company is responsible for the formulation and execution of the Group’s business strategies, strategic directions and expansion plans, as well as managing the Group’s overall business development and financial performance.

***Provision 3.3: The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.***

Although the Executive Chairman and the CEO are the same person, the Board is of the view that sufficient safeguards and checks are in place to ensure that the process of decision-making by the Board remains independent and is based on collective decisions, without any individual or group of individuals exercising any considerable concentration of power or influence. All major decisions are made in consultation with the Board.

For good corporate governance, Mr Ho Boon Chuan Wilson, the Lead Independent Director of the Company, will address the concerns of the shareholders and employees in the event that interactions with the Executive Chairman and CEO or Chief Financial Officer (“CFO”) do not satisfactorily resolve their concerns or where such channel of communications is considered inappropriate. Where necessary, the Lead Independent Director, together with other Independent Directors, will meet without the presence of the other Directors, and provide feedback to the Executive Chairman as appropriate.

## **Board Membership**

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

**Provision 4.1: The Board establishes a Nominating Committee (“NC”) to make recommendations to the Board on relevant matters relating to:**

- (a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;**
- (b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;**
- (c) the review of training and professional development programmes for the Board and its directors; and**
- (d) the appointment and re-appointment of directors (including alternate directors, if any).**

The NC is responsible for the following:

- (a) to make recommendations to the Board on all Board appointments, including re-nominations, having regard to the Director’s contribution and performance (for example, attendance, preparedness, participation and candour);
- (b) to determine annually whether or not a Director is independent within the meaning of the Code and the Catalist Rules;
- (c) in respect of a Director who has multiple board representations in various companies, to decide whether or not such Director is able to and has been adequately carrying out his duties as Director, having regard to the competing time commitments that are faced when serving on multiple boards;
- (d) to decide how the Board’s performance may be evaluated and propose objective performance criteria, as approved by the Board which allows for comparison with its industry peers, and to address the role of the Board in enhancing long-term shareholder value;
- (e) to review the Board succession plans for Directors;
- (f) to regularly review the Board structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- (g) to review the training and professional development programmes for the Board; and
- (h) to assess the performance of the Board and contribution of each Director to the effectiveness of the Board.

Directors are encouraged to attend relevant training programmes conducted by the Singapore Institute of Directors, the SGX-ST, and business and financial institutions and consultants. The costs of such training programmes are borne by the Company.

**Provision 4.2: The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.**

As at the date of this report, the NC comprises three (3) members, all of whom, including the chairman of NC, are independent. The members of the NC are:

Mr Tan Soon Liang	Chairman and Independent Director
Mr Ho Boon Chuan Wilson	Member and Lead Independent Director
Ms Linda Hoon Siew Kin	Member and Independent Director

The Lead Independent Director is also a member of the NC. The NC meets at least once a year.

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**Provision 4.3: The company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.**

The NC ensures that there is a formal and transparent process for all appointments to the Board. It has adopted written terms of reference defining its membership, administration and duties.

The NC is responsible for identifying candidates and reviewing all nominations for the appointment of new Directors. When the need for a new Director arises, the NC, in consultation with the Board, determines the selection criteria and identifies candidates with the appropriate expertise and experience for the appointment as a new Director. The potential candidates are normally being identified via personal and professional networks or using headhunters, if required. The NC then meets with the shortlisted potential candidates with the appropriate profile to assess suitability and to ensure that the candidates are aware of the expectation and the level of commitment required, before nominating the most suitable candidate to the Board for appointment as Director.

Pursuant to the Constitution, at least one-third of the Directors are required to retire from office provided that all Directors shall retire from office at least once every three (3) years at the Annual General Meeting ("AGM"). The Constitution also provides that the retiring Directors are eligible to offer themselves for re-election.

For re-appointment of Directors to the Board, the Board takes into consideration, amongst others, the Director's integrity, competencies, independence, commitment, contribution and performance (such as attendance, preparedness, participation and candour). Each member of the NC shall abstain from voting on any resolutions relating to the assessment of his performance or his re-nomination as Director.

The NC has recommended to the Board that Mr Steven Loh Mun Yew and Mr Ho Boon Chuan Wilson be nominated for re-election at the forthcoming AGM. In making the recommendation, the NC has considered each of the said Directors' overall contributions and performance. Mr Loh Mun Yew will, upon re-election as a Director, remain the Chief Executive Officer and Executive Chairman of the Board and a member of the BSC. Mr Ho Boon Chuan Wilson will, upon re-election as a Director, remain the Lead Independent Director, Chairman of the AC and a member of the NC and RC of the Company. The details of the Directors seeking re-election as required under Rule 720(5) of the Catalist Rules are set out in the "Information on Directors Seeking Re-election" section of the Annual Report 2025.

The Board provides for appointment of alternate directors only in exceptional cases such as when a Director has a medical emergency. The Board takes into consideration the same criteria for selection of directors such as his qualifications, competencies and independence. Currently, the Company does not have alternate directors.

**Provision 4.4: The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.**

The NC determines, on an annual basis, the independence of Directors. Each Independent Director is required annually to complete a checklist to confirm his independence. Further, an Independent Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of the Company.

For FY2025, the NC has assessed and affirmed that the Independent Directors are independent (within the meaning of the Code and the Catalist Rules). Please refer to Provision 2.1 for further details.

**Provision 4.5: The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.**

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In assessing the performance of each individual Director, the NC considers whether he has multiple board representations and other principal commitments, and is able to and adequately carry out his duties as a Director notwithstanding such commitments. The NC is satisfied that sufficient time and attention to the affairs of the Company have been given by those Directors who have multiple board representations.

To address the competing time commitments that are faced when Directors serve on multiple boards, the NC has reviewed and the Board has determined that the maximum number of listed company board appointments be not more than six (6) companies. However, a Director may hold more than six (6) listed company board directorships should the NC be satisfied and is of the view that such Director is able to devote sufficient time and attention to the affairs of the Company, after taking into account his individual circumstances, contributions, responsibilities and other principal commitments. Each Director is required to declare changes in listed company directorships or other principal commitments during the year to enable the ongoing monitoring of the commitment of the Directors to the Company. Directors may consult the Chairman of the NC before accepting any appointment as director of a listed company. Currently, none of the Directors holds more than six (6) directorships in listed companies.

The key information for each Director is disclosed in his profile as set out in the “Board of Directors” section of the Annual Report 2025. The dates of initial appointment and last re-election of each Director, together with his directorships in other listed companies, are set out below:

Name	Age	Appointment	Date of initial appointment	Date of last re-election	Directorship in other listed companies
Steven Loh Mun Yew <sup>(1)</sup>	59	Executive Chairman and CEO	2 May 1990	25 April 2023	<p><b>Present Directorships</b></p> <p>None</p> <p><b>Past Directorships (in the last three (3) preceding years)</b></p> <p>None</p>
David Leng Chee Keong	69	COO and Executive Director	18 February 2005	25 April 2025	<p><b>Present Directorships</b></p> <p>None</p> <p><b>Past Directorships (in the last three (3) preceding years)</b></p> <p>None</p>
Karen Loh Pui Lai <sup>(1)</sup>	54	Executive Director	28 June 2011	25 April 2025	<p><b>Present Directorships</b></p> <p>None</p> <p><b>Past Directorships (in the last three (3) preceding years)</b></p> <p>None</p>

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Name	Age	Appointment	Date of initial appointment	Date of last re-election	Directorship in other listed companies
Ho Boon Chuan Wilson	55	Lead Independent Director	1 September 2020	25 April 2023	<p><b>Present Directorships</b></p> <p>None</p> <p><b>Past Directorships (in the last three (3) preceding years)</b></p> <p>Kim Heng Ltd.</p>
Linda Hoon Siew Kin	63	Independent Director	24 May 2024	25 April 2025	<p><b>Present Directorships</b></p> <p>Hoe Leong Corporation Ltd.</p> <p><b>Past Directorships (in the last three (3) preceding years)</b></p> <p>Autagco Ltd. (formerly known as LifeBrandz Ltd.)</p>
Tan Soon Liang	53	Independent Director	24 May 2024	25 April 2025	<p><b>Present Directorships</b></p> <p>Choo Chiang Holdings Ltd. EuroSports Global Limited ISDN Holdings Limited Stamford Land Corporation Ltd ValueMax Group Limited</p> <p><b>Past Directorships (in the last three (3) preceding years)</b></p> <p>Clearbridge Health Limited GDS Global Limited</p>

**Note:**

(1) Ms Karen Loh Pui Lai and Mr Steven Loh Mun Yew are siblings.

## **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.**

***Provision 5.1: The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.***

***Provision 5.2: The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.***

The NC had adopted processes for the evaluation and assessment of the Board's performance and effectiveness as a whole and the performance of individual Directors, based on performance criteria which were recommended by the NC and approved by the Board. The Board has not engaged any external facilitator in conducting the assessment of the Board's performance and the performance of individual Directors. Where relevant, the NC will consider such engagement.

For the evaluation of the Board's performance, the criteria include return on assets, return on equity and the Company's share price performance which allows the Company to make comparisons with its industry peers and are linked to long-term shareholder value. Each Board Committee's performance is evaluated by the members of the Board for their ability to carry out the terms of reference attributed to each Board Committee. The NC also takes into consideration the feedback from members of the Board or respective Board Committees on areas relating to the competencies and effectiveness of the Board and each Board Committee. The results of the overall evaluation of the Board and Board Committees by the NC including its recommendation for improvements, if any, are presented to the Board.

The assessment process involves and includes inputs from Board members, applying the performance criteria of the NC and approved by the Board. These inputs are collated and reviewed by the Chairman of the NC, who presents a summary of the overall assessment to the NC for review. Areas where the Board's performance and effectiveness could be enhanced and recommendations for improvements are then submitted to the Board for discussion and, where appropriate, approval for implementation.

The individual performance criteria for Directors include qualitative and quantitative factors such as performance of principal functions and fiduciary duties, level of participation at meetings and attendance record. The annual evaluation process for each individual Director's performance comprises three (3) parts: (a) background information concerning the Directors including their attendance records at Board and Board Committee meetings; (b) questionnaires for completion by each Director; and (c) the NC's evaluation based on certain assessment parameters. The questionnaires and the assessment parameters were recommended by the NC and approved by the Board. The completed questionnaires are then reviewed by the NC before the NC completes its evaluation of the individual Directors. When deliberating on the performance of a particular Director who is also a member of the NC, that member shall abstain from the discussions in order to avoid any conflict of interests.

The NC has assessed the performance of the Board and each Board Committee in FY2025, and is of the view that the performance of each Board Committee and the Board as a whole was satisfactory. Although two (2) of the Board members have multiple board representations, the NC is satisfied that sufficient time and attention have been given by the Directors to the Group.

The performance of individual Directors is taken into account in their re-nomination. Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his performance or his re-nomination as Director. Specific needs which arise from time to time are taken into account in any appointment of new Directors.

## **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.**

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**Provision 6.1: The Board establishes a Remuneration Committee (“RC”) to review and make recommendations to the Board on:**

- (a) a framework of remuneration for the Board and key management personnel; and**
- (b) the specific remuneration packages for each director as well as for the key management personnel.**

The principal functions of the RC are as follows:

- (a) to review and recommend to the Board a general framework of remuneration for the Board and key management personnel and the specific remuneration packages and terms of employment (where applicable) for each Director, key management personnel and employees related to the Directors and substantial shareholders of the Company; and
- (b) to review all aspects of remuneration, including but not limited to Director’s fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind.

The recommendations of the RC are submitted for endorsement by the Board. In addition, the RC performs an annual review of the remuneration of key management personnel, as well as employees related to the Directors and substantial shareholders of the Company to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scope and level of responsibilities. They also review and approve any bonuses, pay increases and/or promotion for these employees. The RC reviews the level and structure of remuneration to align with the long-term interest and risk policies of the Company in order to attract, retain and motivate the Directors and key management personnel.

**Provision 6.2: The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.**

As at the date of this report, the RC comprises three (3) members, all of whom, including the chairman of RC, are independent. The members of the RC are:

Ms Linda Hoon Siew Kin	Chairman and Independent Director
Mr Ho Boon Chuan Wilson	Member and Lead Independent Director
Mr Tan Soon Liang	Member and Independent Director

Each member of the RC shall abstain from voting on any resolutions in respect of his or her remuneration package.

**Provision 6.3: The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.**

The RC considers all aspects of remuneration, including but not limited to, Director’s fees, salaries, allowances, bonuses, options, share-based incentives, awards and benefits-in-kind in the review of remuneration packages for the Directors and the key management personnel with an aim to be fair and to avoid rewarding poor performance, before making any recommendation to the Board.

The RC reviews the fairness and reasonableness of the termination clauses of the service agreements of Executive Directors and key management personnel to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with an aim to be fair and avoid rewarding poor performance. Accordingly, the RC will also review the Company’s obligations arising in the event of termination of the employment of Directors and key management personnel.

**Provision 6.4: The company discloses the engagement of any remuneration consultants and their independence in the company’s annual report.**

During FY2025, the RC did not seek any external professional advice on fixing remuneration packages for the Directors and key management personnel. Where relevant, the RC will consider such engagement and will review the suitability and independence of the external firm before engaging them.

## **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.**

**Provision 7.1: A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.**

**Provision 7.3: Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.**

The RC recommends to the Board a framework of remuneration for the Board and key management personnel to ensure that the structure is competitive and sufficient to attract, retain and motivate key management personnel to run the Company successfully in order to maximise shareholder value. The recommendations of the RC on the remuneration of Directors and key management personnel are submitted for endorsement by the Board. The members of the RC do not participate in any decisions concerning their own remuneration. All revisions to the remuneration packages for the Directors and key management personnel are subject to the review by and approval of the Board.

To remain competitive, the Company aims to benchmark the Executive Directors and the key management personnel's compensation with that of similar performing companies, taking into consideration the individual's performance, qualification and experience.

The remuneration packages for Executive Directors take into account the performance of the Group and the individual Executive Director. Director's fees for Non-Executive Directors are based on the effort, time spent and responsibilities of the Non-Executive Directors, and are subject to approval at AGMs. In reviewing and determining the remuneration packages of the Executive Directors and the Group's key management personnel, the RC considers the Executive Directors' and key management personnel's responsibilities, skills, expertise and contribution to the Group's performance when designing their respective remuneration packages. An appropriate proportion of their remuneration is linked to individual and corporate performance and is aligned with the interests of shareholders.

The Company has entered into service agreements with Mr Steven Loh Mun Yew (Executive Chairman and CEO) and Mr David Leng Chee Keong (COO and Executive Director) commencing from 1 January 2011 with a supplemental agreement entered into on 1 August 2012. They are valid for an initial period of three (3) years (the "Initial Term") each and upon the expiry of the Initial Term, the employment of the said appointees shall be automatically renewed on a year-to-year basis, on such terms and conditions as the parties may mutually agree. On 1 January 2019, the RC has reviewed and revised the service agreements ("Revised Service Agreements") of Mr Steven Loh Mun Yew and Mr David Leng Chee Keong to align their remuneration with the Group's current structure. The Revised Service Agreements will be automatically renewed on a year-to-year basis, on such terms and conditions as the parties may mutually agree.

The Company has also entered into a service agreement with Ms Karen Loh Pui Lai upon her re-designation to the role of Vice-President (China), commencing from 2 January 2025 for an initial period of three (3) years and upon its expiry, her employment shall be automatically renewed on a year-to-year basis, on such terms and conditions as the parties may mutually agree.

The remuneration packages for the Executive Directors include a fixed salary and a variable performance-related bonus which is designed to align the interests of the Executive Directors with those of the shareholders of the Company. The Executive Directors do not receive Director's fees.

The remuneration packages for the key management personnel comprise a fixed component (in the form of a base/fixed salary) and a variable component (comprising short-term incentives in the form of year-end and variable bonuses).

There are no termination, retirement and post-employment benefits that may be granted to the Directors, CEO and key management personnel of the Group. The RC is of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Directors and key management personnel in exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company and the Group. The Company believes that there are alternative legal avenues to these specific contractual provisions that will enable the Company to recover financial losses arising from such exceptional events from the Executive Directors and key management personnel. The RC would review such contractual provisions as and when necessary.

# CORPORATE GOVERNANCE REPORT

**Provision 7.2: The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.**

The Independent Directors and the Non-Executive Director do not have service agreements with the Company. They are paid Director's fees, which are determined by the Board based on the effort, time spent and responsibilities of the Directors (including but not limited to their appointments to the various Board Committees). The Independent Directors are not overly remunerated to the extent that their independence may be compromised. Director's fees are further subject to the approval of shareholders of the Company at AGMs.

## **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.**

**Provision 8.1: The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:**

- (a) each individual director and the CEO; and
- (b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.

**Provision 8.2: The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.**

**Provision 8.3: The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.**

The Company's procedures for developing remuneration policies, as well as the level and mix of remuneration, have been set out in detail above under Principles 6 and 7. The breakdown, showing the level and mix of each individual Director's remuneration in FY2025 are set out in the table below:

	Base/ Fixed salary S\$	Director's fees <sup>(1)</sup> S\$	Variable or performance benefits related income / Bonus S\$	Other benefits S\$	Total Remuneration S\$
<b>Remuneration Band and Name of Director</b>					
<b><u>Between S\$750,000 and S\$999,999</u></b>					
Mr Steven Loh Mun Yew	551,555	–	296,598	–	848,153
<b><u>Between S\$250,000 and S\$499,999</u></b>					
Mr David Leng Chee Keong	283,616	–	183,094	7,513	474,223
<b><u>S\$249,999 and below</u></b>					
Ms Karen Loh Pui Lai	203,370	–	24,170	–	227,540
Mr Ho Boon Chuan Wilson	–	54,000	–	–	54,000
Ms Linda Hoon Siew Kin	–	52,000	–	–	52,000
Mr Tan Soon Liang	–	46,000	–	–	46,000

### **Note:**

- (1) Director's fees had been approved by the shareholders of the Company at the last AGM held on 25 April 2025.

# CORPORATE GOVERNANCE REPORT

In accordance with Provision 8.1(b) of the Code, the Company has only two (2) key management personnel as at 31 December 2025. The breakdown, showing the level and mix of each of the two (2) key management personnel's remuneration for FY2025 by percentage (%), is as follows:

	<b>Designation</b>	<b>Base/ Fixed salary</b>	<b>Variable or performance benefits related income / Bonus</b>	<b>Other benefits</b>
<b>Remuneration Band and Name of Key Management Personnel</b>				
<b><u>Between S\$250,000 and S\$499,999</u></b>				
Mr Francis Lai Kum Wai	CFO	62%	35%	3%
Mr Chung Kong Poh Richard	Director of Research & Development	89%	8%	3%

The annual aggregate remuneration accrued to the two (2) key management personnel of the Company (who are not Directors or the CEO) for FY2025 is S\$772,147.

The Company has not disclosed the exact details of the two (2) key management personnel of the Company as it is not in the best interests of the Company and Directors to disclose such details due to the sensitive nature of such information. The current management team has served the Company for a considerable period of time and it is a stable team. It is important for the Company to retain talent for the long-term interests of the Company and ensure stability and continuity of business operations with a competent management team in place. Such disclosure of remuneration of the key management personnel in a highly competitive market for talents may potentially result in staff movement.

There is no employee of the Group (excluding the Executive Directors) who is a substantial shareholder of the Company, or an immediate family member of any Director, the CEO or substantial shareholders of the Company, and whose remuneration exceeded S\$100,000 during FY2025. "Immediate family member" means the spouse, child, adopted child, step-child, brother, sister, and parent of such person.

The Board is of the opinion that the information as disclosed above would be sufficient for shareholders to have an adequate appreciation of the Group's compensation policies and practices and therefore does not intend to issue a separate remuneration report, the contents of which would be largely similar.

The Company has adopted a long-term employee incentive scheme known as FEG Employee Share Option Scheme ("FEG ESOS") that was approved by shareholders at the extraordinary general meeting held on 28 April 2017, to align itself with and embrace local trends and best practices in employee compensation and retention. The FEG ESOS aims to promote higher performance goals, recognise exceptional achievement and retain talents within the Group. The FEG ESOS is administered by the RC. Please refer to the "Directors' Statement" section of the Annual Report 2025 for more information on the FEG ESOS. No share option was granted pursuant to the FEG ESOS during FY2025.

# CORPORATE GOVERNANCE REPORT

## ACCOUNTABILITY AND AUDIT

### Risk Management and Internal Controls

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

***Provision 9.1: 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. The Board sets up a Board Risk Committee to specifically address this, if appropriate.***

The Board acknowledges that risk is inherent in business and there are commercial risks to be taken in the course of generating a return on business activities. The Board's policy is that risks should be managed within the Group's overall risk tolerance.

The Board further acknowledges that it is responsible for the overall internal controls framework, but recognises that no cost-effective internal control system will preclude all errors and irregularities, as such a system is designed to manage (rather than eliminate the risk of failure) and achieve its business objectives. Such a system can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board recognises the importance of establishing a formal Enterprise Risk Management Framework (the "**Framework**") to facilitate the governance of risks and monitoring the effectiveness of internal controls. The Management has established the Framework advised by its internal auditor. This Framework sets out the key risks that the Group is exposed to and the steps and measures that the Management has put in place to mitigate them. The Framework is also reviewed on a periodic basis to establish if the risks identified are still relevant and if the Group is being exposed to new risks due to the changing environments that the Group operates in.

The internal controls structure of the Group has been designed and put in place by the Management to provide reasonable assurance against material financial misstatements or loss, for the safeguarding of assets, for the maintenance of proper accounting records, for the provision of financial and other information with integrity, reliability and relevance, and in compliance with applicable laws and regulations. However, no internal controls system can provide absolute assurance in view of inherent limitations of any internal controls system against the occurrence of human and system errors, poor judgement in decision making, losses, fraud or other irregularities.

The Management carries out regular reviews of the Group's business and operational activities to identify areas of business and financial reporting risks and the appropriate measures to control and mitigate these risks. All significant matters are highlighted to the Board for further discussion. The Board also works with the internal and external auditors on their recommendations and institutes and executes relevant controls with a view to managing business and financial reporting risks.

The Board and AC is responsible for (a) monitoring the Group's risks of becoming subject to, or violating, any sanctions law; and (b) ensuring timely and accurate disclosures to the SGX-ST and other relevant authorities in respect of sanctions-related risks, subject or activity. The Group currently has no exposure or nexus to sanctions-related risks, subject or activity.

The Board currently does not have a separate Board Risk Committee. The AC reviewed the adequacy and effectiveness of the Group's key internal controls that address the Group's financial, operational, compliance and information technology controls, and risk management systems, with the assistance of the internal and external auditors and the Management, who provide regular reports during the year to the AC in addition to the briefings and updates provided at the AC meetings.

***Provision 9.2: The Board requires and discloses in the company's annual report that it has received assurance from:***

- (a) the CEO and the Chief Financial Officer ("CFO") that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and***
- (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.***

# CORPORATE GOVERNANCE REPORT

The CEO and the CFO have provided a letter of confirmation that for FY2025, (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) the Company's risk management and internal control systems are adequate and effective. Separately, the other key management personnel, including Mr David Leng Chee Keong and Mr Chung Kong Poh Richard, have also provided a letter of confirmation that for FY2025, the Company's risk management and internal control systems are adequate and effective.

As part of the Group's annual internal audit plan approved by the AC, the internal auditor, PricewaterhouseCoopers Risk Services Pte. Ltd. ("**PwC**"), has carried out internal audit reviews of the system of internal controls, which is maintained by Management, and reported the findings to the AC. The external auditor, Ernst & Young LLP, has also, in the course of their statutory audit, gained an understanding of the key controls in the financial reporting processes identified in the course of the statutory audit. In this respect, the AC has reviewed the findings of both the internal and external auditors and will ensure that the Company follows up on the auditors' recommendations raised during the audit processes.

Based on the findings of the internal and external auditors, the various adequate and effective management controls put in place by and the assurance received from the Management, the Board with the concurrence of the AC, is of the opinion that there are adequate and effective controls in place within the Group addressing financial, operational, compliance and information technology controls, and risk management policies and systems to meet the needs of the Group in their current business environment. The Board will, on a continuing basis, endeavour to further enhance and improve the Company's system of internal controls and risk management policies and systems. No material internal control weakness had been raised by our auditors in the course of their audits for FY2025.

## **Audit Committee**

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

**Provision 10.1: The duties of the AC include:**

- (a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;**
- (b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;**
- (c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;**
- (d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;**
- (e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and**
- (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. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.**

The members of the AC have sufficient financial and/or management expertise, as assessed by the Board in its business judgement, to discharge the functions of the AC. The AC has written terms of reference and its responsibilities include, *inter alia*:

- reviewing the audit plans of the internal and external auditors of the Group and the Company, and reviewing the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors;
- reviewing the half-year 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;
- meeting with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

# CORPORATE GOVERNANCE REPORT

- meeting with the internal and external auditors without the presence of the management at least once a year;
- reviewing legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- reviewing the effectiveness and the independence and objectivity of the external auditor;
- reviewing the nature and extent of non-audit services provided by the external auditor;
- reviewing the scope and results of the external audit;
- reporting actions and minutes of the AC to the board of directors with such recommendations as the AC considers appropriate;
- reviewing interested person transactions in accordance with the requirements of the Catalist Rules;
- approving the internal control procedures and arrangements for all interested person transactions;
- commissioning, reviewing and discussing with the external and internal auditors, if necessary, any suspected fraud or irregularity, or suspected failure of internal controls, or suspected infringement of any relevant laws, rules or regulations;
- reviewing and ratifying transactions falling within the scope of the Catalist Rules, in particular, matters pertaining to Interested Person Transactions, and Acquisitions and Realisations as laid down in Chapters 9 and 10 respectively;
- reviewing the independence of the external auditor annually, and recommending to the Board the appointment, re-appointment or removal of the external auditor and approving the remuneration and terms of engagement of the external auditor; and
- assessing the need to obtain independent legal advice in relation to any sanctions-related risks applicable to the Group and reviewing the relevance of information in respect of sanctions-related risks, subject or activity provided to shareholders and SGX.

The AC has full access to and cooperation of the Management and has full discretion to invite any Director or key management personnel to attend its meetings, and has been given reasonable resources to enable it to discharge its functions. The AC also has explicit authority to investigate any matter within its terms of reference and is authorised to obtain independent professional advice. Each member of the AC shall abstain from voting on any resolutions in respect of matters in which he or she has an interest.

## Summary of the AC's activities

The AC met twice during the year under review. Details of members' attendance at the meetings are set out under Provision 1.5 above. The CFO, Company Secretary, internal and external auditors were invited to these meetings. Other members of the Management were also invited to attend as appropriate to present reports.

The AC met twice with the external and internal auditors, without the presence of the Management in FY2025.

The AC officially meets on a half-yearly basis, and on an as-required basis. The AC reviews the half-year and full-year results announcements, material announcements and all related disclosures to shareholders of the Company before submission to the Board for approval. In the process, the AC reviews the audit plan and audit results report presented by the external auditor. The external auditor provides regular updates and briefings to the AC on changes or amendments to accounting standards to enable the members of the AC to keep abreast of such changes and their corresponding impact on the financial statements, if any.

# CORPORATE GOVERNANCE REPORT

The AC reviewed the key audit matters (“KAM”) presented by the external auditor and concur with the identification of the KAMs and considered the following matters for each KAM:

KAM	AC commentary on the KAM, how the matters were reviewed and what decisions were taken
<b>Revenue Recognition on Engineering Contracts</b>	The Group’s revenue from engineering contracts were mainly contributed by M-Tech Air-Con and Security Engineering Pte Ltd (“M-Tech”). The AC acknowledges that the revenue recognition method on engineering contracts based on the Input Method requires significant judgement by the respective management teams. The judgement and estimation involved in establishing the budgeted cost, being the key estimate or judgement of the Input Method relies on the management’s experience as well as negotiation with various stakeholders. The Management has made significant improvements in its internal controls and implemented financial and operational policies to reduce its risks exposure. M-Tech has been using its ERP system to reduce the risk and frequency of errors from manual processes, at the same time, increasing efficiency. The AC recognized that the internal controls of M-Tech has improved over the years and is satisfied that the Management has deployed sufficient time and resources to track the actual costs incurred on the respective projects against budgets to ensure that the revenue for engineering contracts is recognised in accordance with SFRS(I).
<b>Expected Credit Losses for Trade Receivables and Contract Assets</b>	The AC regularly reviews the aging of trade receivables and the allowance for expected credit losses (“ECL”) on a quarterly basis with the Management. During such reviews, the Management presents justifications to support any proposed allowance. Significant judgement and estimation, are required in estimating the forward-looking rate of the ECL. The write-back of allowance for ECL is mainly due to the reversal of allowances made on contract assets of the Group. With a system in place for regular periodic review of any long outstanding debts, including quarterly updates at Board meetings, market intelligence, close monitoring and follow up, the AC is satisfied with the assumptions and estimates applied by the Management in the ECL model and that there are adequate measures in place to minimise significant allowances made for ECL on trade receivables and contract assets.
<b>Impairment of Investments in Subsidiaries</b>	The AC considered the approach and methodology applied to performing the impairment assessment for those investments in subsidiaries with indicators of impairment. The AC works with the Management on the future cashflow projection of the subsidiaries. The AC is satisfied with the Management’s assumptions and estimates used in the forecast for the impairment assessment of investments in subsidiaries.

The AC also reviewed the annual financial statements and discussed with the Management, the CFO and the external auditor the significant accounting policies, judgements and estimates applied by the Management in preparing the annual financial statements. Following the review and discussions, the AC then recommended the audited annual financial statements to the Board for approval.

## Whistle-blowing policy

The Company has put in place a whistle-blowing policy, which provides for the mechanisms by which employees and stakeholders may, in confidence, raise concerns about possible improprieties in matters of financial reporting, misconduct or wrongdoing relating to the Company and its officers, or other matters, with the objective of ensuring that arrangements are in place for the independent investigation of such matters for appropriate follow-up action. The AC exercises the overseeing function over the administration of the whistle-blowing policy. It has a well-defined process which ensures independent investigation of issues or concerns raised and appropriate follow-up action, and provides assurance that the identity of the whistle-blower will be kept confidential and the whistle-blower will be protected from reprisal within the limits of the law for whistle-blowing in good faith. The employees can email to the Chairman of the AC on all matters. Details of the whistle-blowing policy and arrangements have been made available to all employees of the Group and is also made available to the public on the Company’s website at [www.fareastgroup.com.sg](http://www.fareastgroup.com.sg). The whistle-blowing policy and procedures are reviewed by the AC from time to time to ensure that they remain relevant.

# CORPORATE GOVERNANCE REPORT

**Provision 10.2: The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.**

As at the date of this report, the AC comprises three (3) members, all of whom, including the chairman of AC are independent. The members of the AC are:

Mr Ho Boon Chuan Wilson	Chairman and Lead Independent Director
Ms Linda Hoon Siew Kin	Member and Independent Director
Mr Tan Soon Liang	Member and Independent Director

They are appropriately qualified to discharge their responsibilities and functions under the terms of reference approved by the Board. The AC members have recent and relevant accounting or related financial management expertise or experience.

**Provision 10.3: The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) 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 in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.**

No former partner or director of the Company's existing auditing firm is a member of the AC.

**Provision 10.4: The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.**

The Board recognises the importance of maintaining a system of internal controls to safeguard shareholders' investments and the Company's assets. The AC approves the appointment, removal, evaluation and compensation of the internal auditor. For FY2025, the Company has outsourced its internal audit function to a qualified public accounting firm, PwC, who has unfettered access to all the Company's documents, records, properties and personnel, including access to the AC, when carrying out the internal audit reviews.

The internal audit team is headed by a Partner with significant experience of leading internal audit review services for Singapore listed companies. The team supporting the Partner constitutes dedicated internal controls specialists with requisite knowledge and experience. The AC reviews the adequacy, effectiveness, scope and independence of the internal audit function annually. For FY2025, the AC is satisfied that the Company has maintained an effective internal audit function that is adequately staffed and independent of the audited activities, and that the internal auditor has appropriate standing within the Company to perform its function effectively.

To ensure the adequacy of the internal audit function, the AC reviews and approves the yearly internal audit plan before the commencement of an internal audit. The AC assesses and ensures that the internal auditor meets or exceeds the standards set by recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The internal auditor provides adequate staff with relevant experience to conduct the internal audits.

The objective of internal audit review is to assist Management in evaluating and testing the effectiveness of internal controls that are in place. Based on the scope of work in accordance with the FY2025 internal audit plan approved by the AC, the internal audit review is conducted with a view to identifying control gaps in the current business processes, ensuring that operations are conducted within the policies and procedures laid down and identifying areas for improvements where controls can be strengthened. Internal audit reports are prepared to update the AC on the progress of all audits carried out, the recommendations accepted by Management, and to track the status of outstanding matters and remedial actions taken to date.

**Provision 10.5: The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.**

The AC meets with the external and internal auditors, separately, at least once a year, without the presence of the Management to review any related matters that might have arisen.

## **Board Sustainability Committee**

The Board Sustainability Committee assists the Board in fulfilling its corporate governance responsibilities in relation to the Group's Environment, Social and Governance ("**ESG**") objectives, by providing directions and considering issues on sustainability as part of its strategy.

As at the date of this report, the BSC comprises three (3) members, as follows:

Ms Linda Hoon Siew Kin	Chairman and Independent Director
Mr Steven Loh Mun Yew	Executive Chairman and CEO
Mr Francis Lai Kum Wai	CFO

They are appropriately qualified to discharge their responsibilities and functions under the terms of reference approved by the Board. The key terms of reference of the BSC include the following:

- Review and monitor the implementation of the Group's sustainability strategy, including materiality assessment and alignment of sustainable development policies with applicable laws and regulations;
- Review and monitor the Management's commitment and allocation of resources to achieving the desired outcomes of the Group's sustainability strategy;
- Establish sustainability policies and practices, set and assess ESG targets, and measure the performance against targets;
- Ensure the Group's sustainability policies, strategies and priorities are integrated into the Group's strategic plans, investment strategy and business goals;
- Monitor and consider emerging key ESG trends and issues that may have strategic, business and reputational implications for the Group, and receive periodic reports from the Management or external parties on the same, and make recommendations to the Board as necessary; and
- Improve the quality of ESG reporting and establishing initiatives on decarbonisation targets across the Group.

## **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.**

***Provision 11.1: The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.***

All shareholders are treated fairly and equitably to facilitate their ownership rights. The Board recognises the importance of maintaining transparency and accountability to its shareholders. The Board's policy is that all shareholders should be informed in a comprehensive manner and on a timely basis of all material developments that impact the Group.

The Board is mindful of its obligations to provide timely disclosure of material information to shareholders of the Company and does so through:

- Annual reports issued to all shareholders of the Company. Non-shareholders may access SGXNet for the Company's annual reports;
- Half-year and full-year announcements of its financial statements on the SGXNet;
- Other announcements on the SGXNet; and
- Press releases on major developments of the Group.

# CORPORATE GOVERNANCE REPORT

The Company encourages active shareholder participation at its general meetings. Notices of meetings are given to all shareholders together with explanatory notes or a circular on items of special business, at least fourteen (14) clear days (for ordinary resolutions) or at least twenty-one (21) clear days (for special resolutions) before the meeting.

All shareholders are entitled to attend and vote at general meetings and are afforded the opportunity to participate effectively at such meetings. All shareholders are entitled to vote in accordance with the established voting rules and procedures. The Company conducts poll voting for all resolutions tabled at the general meetings. The rules, including the voting procedures, are clearly explained by the scrutineers at such general meetings. The Constitution allows all shareholders to appoint up to two (2) proxies to attend general meetings and vote on their behalf. Further, the Company allows corporations which provide nominee or custodial services to appoint more than two (2) proxies to attend and vote on their behalf at general meetings provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such corporate shareholders.

In line with the resumption of general meetings in the physical face-to-face format, the forthcoming AGM for FY2025 will be held physically. In line with the Company's continuing sustainability efforts to protect our environment, the Company is using electronic communication for the transmission of the Annual Report via publication on the Company's website and SGXNet. However, shareholders may request a printed copy of the Company's Annual Report by completing and returning the Request Form which is despatched to them. Shareholders may also submit their questions relating to the resolutions set out in the notice of the AGM in advance of, or at the AGM.

***Provision 11.2: The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.***

Resolutions are, as far as possible, structured separately and may be voted upon independently. Resolutions are passed at general meetings by poll. The voting results of all votes cast for, or against, each resolution and the respective percentages are then screened at the meeting and announced through SGXNet after the meeting. The Company will employ electronic polling if necessary.

***Provision 11.3: All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.***

General meetings are the main forum for communication with shareholders. The members of the Board and Board Committees are present at the general meetings, and the external auditor is also present to assist the Directors in addressing any relevant queries by shareholders about the conduct of audit as well as the preparation and content of the auditor's report. The Board welcomes the views of shareholders on matters affecting the Company. Please refer to Provision 1.5 above for further details on the Directors' attendance at general meeting held during FY2025.

***Provision 11.4: The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.***

The Company's Constitution permits voting in absentia only by appointment of proxy. However, as the authentication of shareholders' identity information and other related integrity issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail or electronic means.

***Provision 11.5: The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.***

The Company Secretary prepares minutes of the general meetings recording substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board, Management and external auditor, if any.

Minutes of general meetings that record substantial and relevant comments or queries from shareholders relating to the agenda and responses from the Board and the management will be prepared and made available via the Company's website and SGXNet within one (1) month from the date of general meeting.

***Provision 11.6: The company has a dividend policy and communicates it to shareholders.***

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends are dependent on the Group's earnings, general financial condition, results of operations, capital requirements, cash flow, general business conditions, development plans and other factors as the Directors may deem appropriate. Notwithstanding the above, any declaration of dividends is clearly communicated to the shareholders via SGXNet. Further, the Company in line with Rule 704(23) of the Catalist Rules, expressly discloses the reason(s) in the event that the Board decides not to declare or recommend a dividend, in its financial statement announcements.

The Board is pleased to recommend a final (tax exempt one-tier) dividend of 0.18 cents per ordinary share in respect of FY2025 for the shareholders' approval at the forthcoming AGM.

## **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.**

***Provision 12.1: The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.***

Communication with shareholders is managed by the Board. The Company is committed to regular and proactive communication with its shareholders in line with the continuous disclosure obligations of the Company under the Catalist Rules. Pertinent information is disclosed to shareholders in a timely, fair and equitable manner. The Company does not practise selective disclosure. Price- and trade-sensitive information is first publicly released before the Company meets with any group of investors or analysts.

Pertinent information is communicated to shareholders through:

- (1) half-year and full-year results announcements which are published on the SGXNet and in press releases;
- (2) the Company's annual reports that are prepared and issued to all shareholders;
- (3) notices of and explanatory memoranda, for AGMs and extraordinary general meetings; and
- (4) press releases on major developments of the Group.

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

***Provision 12.2: The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.***

***Provision 12.3: The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.***

The Company does not have a formal Investor Relations Policy in place. The Group has specifically entrusted an investor relations team comprising the CEO, the COO and the CFO with the responsibility of facilitating communications with shareholders and analysts and attending to their queries or concerns. Accordingly, the Board was of the view that the current communication channels are sufficient and cost-effective.

The Board's policy is that all shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNet on an immediate basis, in line with the Group's disclosure obligations pursuant to the Catalist Rules and the Companies Act. The Company's half-yearly financial results and annual reports are announced on SGXNet within the stipulated period.

# CORPORATE GOVERNANCE REPORT

Shareholders of the Company receive the annual reports and notices of AGMs within the prescribed deadlines prior to the AGMs. The Board encourages shareholders' participation at the AGMs and periodically communicates with shareholders through SGXNet throughout the financial year. Similarly, shareholders receive the circulars and notices of extraordinary general meetings within the prescribed deadlines prior to the extraordinary general meetings.

Further, the Company provides its phone number and e-mail address on the Company's website through which the Shareholders may contact the Company with questions and by which the Company may respond to such questions.

## MANAGING STAKEHOLDERS 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.**

**Provision 13.1: The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.**

**Provision 13.2: The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.**

The Company recognises the importance of close collaboration with its key stakeholders such as employees, investors and media, suppliers and service providers, and customers in order to achieve sustainable business goals.

The Company has in place a process to identify its various stakeholders and understand their viewpoints as well as actively communicating with them to align the Company's expectations and goals. The Group engages with the key stakeholders through various platforms. Details of the stakeholders engaged by the Group, areas of focus, approaches to stakeholder, including frequency of engagement by type and by stakeholder group and key feedback or issues that have been raised through stakeholder engagement and can be found in the Company's Sustainability Report 2025.

Stakeholders who wish to know more about the Group including its business, industry, performance or sustainability practices can also visit the Company's website at [www.fareastgroup.com.sg](http://www.fareastgroup.com.sg).

**Provision 13.3: The company maintains a current corporate website to communicate and engage with stakeholders.**

All material information on the performance and development of the Group and of the Company is disclosed in a timely, accurate and comprehensive manner through SGXNet and the Company's website. The Company does not practise selective disclosure of material information. All materials on the half-yearly and full year financial results are available on the Company's website. The website, which is updated regularly, contains various information on the Group and the Company which serves as an important resource for investors and all stakeholders. Stakeholders can also contact the Company through phone or e-mail, the details of which can be found on the Company's website at [www.fareastgroup.com.sg](http://www.fareastgroup.com.sg).

## OTHER CORPORATE GOVERNANCE MATTERS

### Dealings in Securities

In line with Rule 1204(19) of the Catalist Rules, the Group has adopted and implemented policies in line with the SGX-ST's best practices in relation to the dealing of shares of the Company. The policies have been made known to Directors, key executives and any other persons as determined by the Management who may possess unpublished material price- or trade-sensitive information of the Group.

The Company has advised its Directors and key executives not to deal in the Company's shares during the period commencing one (1) month prior to the announcement of the Company's half-year and full-year results respectively and ending on the date of the announcement of the results.

# CORPORATE GOVERNANCE REPORT

The Company has reminded its Directors and officers that it is an offence under the Securities and Futures Act of Singapore for a listed issuer or its officers to deal in the listed issuer's securities as well as securities of other listed issuers when the listed issuer and its officers are in possession of unpublished material price- or trade-sensitive information in relation to those securities. Directors and officers are expected and reminded to observe insider-trading laws at all times even when dealing in securities within permitted trading periods. The Group has further reminded its Directors and officers not to deal in the Company's securities on short-term considerations.

## **Auditors and Audit Fees**

The aggregate amount of fees paid to the Company's external auditors, Ernst & Young LLP and member firms of Ernst & Young Global, in FY2025, were S\$220,300 and S\$96,900 respectively, comprising approximately S\$287,700 audit fees and S\$29,500 non-audit fees for acting as tax agent. The AC, having reviewed such non-audit services, is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

The AC considered and is satisfied with the adequacy of their resources, training and quality control, experience of the engagement team and the firm as a whole and quality of work carried out by the external auditor. The Group confirms that it has complied with Rule 712 and Rule 715 of the Catalist Rules in relation to its appointment of the audit firm for the Group.

Having been satisfied as to the foregoing, the AC has recommended the re-appointment of Ernst & Young LLP as external auditor at the forthcoming AGM.

## **Non-Sponsorship Fees**

With reference to Rule 1204(21) of the Catalist Rules, there were no non-sponsor fees incurred in FY2025 paid or payable to the Company's sponsor, SAC Capital Private Limited.

## **Material Contracts**

There were no material contracts entered into by the Company or its subsidiaries involving the interests of the CEO, any Director or controlling shareholder, either still subsisting at the end of FY2025, or if not then subsisting, entered into since the end of the previous financial year.

## **Interested Person Transactions**

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

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii) of the Catalist Rules.

There were no interested person transactions entered into during FY2025 with a value of more than S\$100,000 each.

# CORPORATE GOVERNANCE REPORT

## INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Steven Loh Mun Yew and Mr Ho Boon Chuan Wilson are the Directors seeking re-election at the forthcoming AGM of the Company. Pursuant to Rule 720(5) of the Catalist Rules, the information relating to Mr Steven Loh Mun Yew and Mr Ho Boon Chuan Wilson in accordance with Appendix 7F of the Catalist Rules is set out below and to be read with their respective profiles under the section entitled “Board of Directors” of this Annual Report:

	<b>STEVEN LOH MUN YEW</b>	<b>HO BOON CHUAN WILSON</b>
Date of appointment	2 May 1990	1 September 2020
Date of last re-appointment (if applicable)	25 April 2023	25 April 2023
Age	59	55
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, having considered the recommendation of the NC and assessed Mr Steven Loh Mun Yew’s overall contributions and performance, is of the view that he is suitable for re-appointment as an Executive Director of the Company.	The Board, having considered the recommendation of the NC and assessed Mr Ho Boon Chuan Wilson’s overall contributions and performance, is of the view that he is suitable for re-appointment as an Independent Non-Executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. Please refer to the “Board of Directors” section of this Annual Report for details of his areas of responsibility.	Non-Executive.
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman, Chief Executive Officer and Member of BSC.	Lead Independent Director, Chairman of AC and Member of RC and NC.
Professional qualifications	Bachelor of Science in Electrical Engineering – University of the Pacific, Stockton, California  Master of Business Administration – University of South Australia	Bachelor of Accountancy (Honours) – Nanyang Technological University  Chartered Financial Analyst (CFA)  Chartered Accountant, Singapore (CA)
Working experience and occupation(s) during the past 10 years	As set out in Mr Loh Mun Yew’s profile write-up under the section entitled “Board of Directors” of this Annual Report.	As set out in Mr Ho Boon Chuan’s profile write-up under the section entitled “Board of Directors” of this Annual Report.

# CORPORATE GOVERNANCE REPORT

	<b>STEVEN LOH MUN YEW</b>	<b>HO BOON CHUAN WILSON</b>
Shareholding interest in the listed issuer and its subsidiaries	<p>Direct interest: 3,042,900 ordinary shares in the Company</p> <p>Deemed interest: 65,115,500 ordinary shares in the Company</p>	Nil
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>Sibling of the Vice-President (China) and Executive Director, Ms Loh Pui Lai and brother-in-law of the substantial shareholder, Mr Cheung Wai Sum.</p> <p>The shareholders of Universal Pte. Ltd. (the controlling shareholder of the Company) are Steven Loh Mun Yew, Karen Loh Pui Lai (Steven Loh Mun Yew and Karen Loh Pui Lai are siblings and Karen Loh Pui Lai is the spouse of Cheung Wai Sum), Lum Soo Mooi (parent of Steven Loh Mun Yew and Karen Loh Pui Lai) and Loh Pui Pui (daughter of Lum Soo Mooi, and sibling of Steven Loh Mun Yew and Karen Loh Pui Lai) with shareholding interest of 43.69%, 18.82%, 18.47% and 19.02%, respectively. The directors of Universal Pte. Ltd. are Steven Loh Mun Yew, Loh Pui Pui and Lum Soo Mooi.</p>	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules has been submitted to the listed issuer	Yes	Yes

# CORPORATE GOVERNANCE REPORT

	STEVEN LOH MUN YEW	HO BOON CHUAN WILSON
Other principal commitments including directorships	<p><b><u>Past (for the last 5 years)</u></b></p> <p><u>Directorships:</u>  <i>Within the Group:</i>            FE&amp;B Engineering (M) Sdn. Bhd. (struck off)            Far East Refrigeration (Kuching) Sdn. Bhd.            Far East Maju Engineering Works Sdn. Bhd.</p> <p><u>Other Principal Commitments:</u>            Nil</p> <p><b><u>Present</u></b></p> <p><u>Directorships:</u>  <i>Within the Group:</i>            Edenkool Pte. Ltd.            FEG Logistics Pte. Ltd.            GPS Compressor Services &amp; Parts Pte. Ltd.            M-Tech Air-Con &amp; Security Engineering Pte. Ltd.            RSP Systems Pte. Ltd.            Far East Refrigeration (M) Sdn. Bhd.            Far East Enterprises (Penang) Sdn. Bhd.            Far East Enterprises (K.L.) Sdn. Bhd.            Far East Refrigeration Limited            PT Far East Refrigeration Indonesia            Coolwerkz Engineering Limited            Eden Refrigeration Manufacturing (Jiangsu) Co., Ltd.            Elite Envirotech Co., Ltd.</p> <p><i>Outside the Group:</i>            Universal Pte. Ltd.            Comfresh Group Holdings Pty Ltd.</p> <p><u>Other Principal Commitments:</u>            Legal Representative of:  <i>Within the Group:</i>            Nil</p>	<p><b><u>Past (for the last 5 years)</u></b></p> <p><u>Directorships:</u>  <i>Outside the Group:</i>            Kim Heng Ltd.            Quan Academy Pte. Ltd.            Westconcomstor International (India) Private Limited</p> <p><u>Other Principal Commitments:</u>            Legal Representative of:            Westcon Group (Vietnam) Co., Ltd            Westcon Solutions China Shenzhen Branch</p> <p><b><u>Present</u></b></p> <p><u>Directorships:</u>  <i>Within the Group:</i>            Nil</p> <p><i>Outside the Group:</i>            Westcon Solutions Pte. Limited            Westcon Solutions IMH Pte. Limited            Westcon Solutions (HK) Limited            Westcon Solutions (M) Sdn. Bhd.            PT. Westcon Solutions            Westcon Group (Thailand) Co., Limited            Westcon Solutions Philippines, Inc.            WHOM Pte. Ltd.</p> <p><u>Other Principal Commitments:</u>            Legal Representative of:            Westcon Solutions China Jing An Branch            Westcon Solutions China Beijing Branch</p>

# CORPORATE GOVERNANCE REPORT

	STEVEN LOH MUN YEW	HO BOON CHUAN WILSON
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.		
(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/her or against a partnership of which he/she was a partner at the time when he/she was a partner or at any time within 2 years from the date he/she 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/she was a director or an equivalent person or a key executive, at the time when he/she 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/she 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 judgement against him/her?	No	No
(d) Whether he/ she 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/she is aware) for such purpose?	No	No

# CORPORATE GOVERNANCE REPORT

	STEVEN LOH MUN YEW	HO BOON CHUAN WILSON
(e) Whether he/ she 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/ she is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgement has been entered against him/her 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/her part, or he/she has been the subject of any civil proceedings (including any pending civil proceedings of which he/she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his/her part?	No	No
(g) Whether he/ she 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/she 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

# CORPORATE GOVERNANCE REPORT

	STEVEN LOH MUN YEW	HO BOON CHUAN WILSON
(i) Whether he/she has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him/her from engaging in any type of business practice or activity?	No	No
(j) Whether he/she has ever, to his/her 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,	No	No
in connection with any matter occurring or arising during that period when he/she was so concerned with the entity or business trust?		

# CORPORATE GOVERNANCE REPORT

	<b>STEVEN LOH MUN YEW</b>	<b>HO BOON CHUAN WILSON</b>
(k) Whether he/ she 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?	In 2006, Mr Loh Mun Yew was charged under Section 67(1)(b) of the Road Traffic Act for driving a motor vehicle whilst under the influence of alcohol. He pleaded guilty to this charge and was fined a total of S\$2,500 and suspended from driving for one and a half years.	No

# DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Far East Group Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2025.

## Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity 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 2025 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## Directors

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

Loh Mun Yew  
Leng Chee Keong  
Loh Pui Lai  
Ho Boon Chuan Wilson  
Linda Hoon Siew Kin  
Tan Soon Liang

Mr Loh Mun Yew and Mr Ho Boon Chuan Wilson, pursuant to Regulation 104 of the Company's Constitution, are due for retirement and will seek for re-election at the forthcoming Annual General Meeting (“**AGM**”).

## Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects 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.

# DIRECTORS' STATEMENT

## Directors' interests in shares or debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Companies Act 1967 (the "Act"), an interest in shares or debentures of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of director	Direct interest		Deemed interest	
	At 1 January 2025	At 31 December 2025	At 1 January 2025	At 31 December 2025
<b>Universal Pte. Ltd.</b> <sup>(1)</sup>				
Ordinary shares				
Loh Mun Yew	21,144	21,144	–	–
Loh Pui Lai	9,108	9,108	–	–
<b>Far East Group Limited</b>				
Ordinary shares				
Loh Mun Yew <sup>(2)</sup>	3,042,900	3,042,900	65,115,500	65,115,500
Leng Chee Keong	7,439,800	7,439,800	–	–
Loh Pui Lai	220,000	220,000	6,300,000	6,300,000

### Notes:

<sup>(1)</sup> Universal Pte. Ltd. is an investment holding company incorporated in Singapore with an issued and paid up share capital of \$4,839,800. Universal Pte. Ltd. is a controlling shareholder of the Company.

<sup>(2)</sup> 3,042,900 shares in the Company are held through a nominee, United Overseas Bank Nominees Pte Ltd.

By virtue of Section 7 of the Act, Loh Mun Yew is deemed to have an interest in the 63,855,000 shares held by the holding company, Universal Pte. Ltd., in the Company and in all its subsidiaries and the 1,260,500 shares held by the Estate of Loh Ah Peng @ Loh Ee Ming, the late father of Loh Mun Yew, in the Company, arising from his capacity as executor of his late father's will.

By virtue of Section 164(15)(a) of the Act, Loh Pui Lai is deemed to have an interest in the 6,300,000 shares held by her spouse, Cheung Wai Sum, in the Company.

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

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2026.

## Options

The Company has adopted a long-term employee incentive scheme known as FEG Employee Share Option Scheme ("FEG ESOS") that was approved by shareholders at the extraordinary general meeting held on 28 April 2017, to align itself with and embrace local trends and best practices in employee compensation and retention. The FEG ESOS aims to promote higher performance goals, recognise exceptional achievement and retain talents within the Group.

## Options (cont'd)

The scheme is administered by the Remuneration Committee ("**RC**") whose members are:

Ms Linda Hoon Siew Kin	(RC Chairman and Independent Non-Executive Director)
Mr Ho Boon Chuan Wilson	(Lead Independent Non-Executive Director)
Mr Tan Soon Liang	(Independent Non-Executive Director)

Since the adoption of the FEG ESOS till the end of the financial year:

- No options have been granted;
- No options have been granted to the controlling shareholders of the Company and their associates;
- No participant has received 5% or more of the total number of options available under the FEG ESOS;
- No options have been granted to directors and employees of the holding company and its subsidiaries;
- No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted; and
- No options have been granted at a discount.

## Audit committee

The Audit Committee ("**AC**") carried out its functions in accordance with Section 201B(5) of the Act, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors;
- Reviewed the half-year 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;
- Met with the Company's internal and external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the effectiveness and the independence and objectivity of the external auditor;
- Reviewed the nature and extent of non-audit services provided by the external auditor;
- Recommended to the board of directors the external auditor to be nominated for re-appointment, approved the compensation of the external auditor, and reviewed the scope and results of the audit;
- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Catalist Rules.

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 has also conducted a review of interested person transactions.

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

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

# DIRECTORS' STATEMENT

## **Auditor**

Ernst & Young LLP has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

Loh Mun Yew  
Director

Leng Chee Keong  
Director

Singapore  
2 April 2026

# INDEPENDENT AUDITOR'S REPORT

To the Members of Far East Group Limited

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Far East Group Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”), which comprise the balance sheets of the Group and the Company as at 31 December 2025, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement 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, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the “**Act**”) and Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 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 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

# INDEPENDENT AUDITOR'S REPORT

To the Members of Far East Group Limited

## Key Audit Matters (cont'd)

### Revenue recognition on engineering contracts

The Group recognised revenue from engineering contracts amounted to \$31,219,000 for the financial year ended 31 December 2025, representing 35.0% of the Group's total revenue. The Group accounts for engineering contract revenue and costs over time by reference to the Group's progress toward completing the performance obligations of the contracts. The measure of progress is based on costs incurred to date as a proportion of estimated total contract costs.

Significant judgement is required to estimate total contract costs and remaining costs to completion and this will in turn affect the measure of contract progress; and the revenue and profit margin recognised from engineering contracts. Accordingly, we have identified this as a key audit matter.

We performed the following audit procedures, amongst others, in response to the above-mentioned key audit matter:

- Obtained an understanding of the Group's processes and tested the controls relating to the billing of revenue from engineering contracts;
- For material engineering contracts, reviewed the contracts and assessed the reasonableness of the key assumptions used by management in estimating the total contract costs and costs to complete and variation order claims, taking into consideration past performance with further consideration of the current market condition;
- Checked the application of input method in determining the stage of completion of the material engineering contracts by reviewing the total estimated contract costs, including any revisions made at year end and actual costs incurred up to the reporting date;
- Tested on a sampling basis the variation order claimed and actual costs incurred against underlying documents during the year; and
- Discussed with management on potential delays in fulfilling the contracts and the impact on project budgets and margins.

We also assessed the adequacy of the relevant notes disclosure. The related disclosures are included in Note 2.22 and Note 25 to the financial statements. The key sources of estimation uncertainty in relation to revenue from engineering contracts are disclosed in Note 3.2 to the financial statements.

## Key Audit Matters (cont'd)

### Expected credit losses for trade receivables and contract assets

As at 31 December 2025, the Group has trade receivables and contract assets from third parties amounted to \$15,400,000 and \$8,154,000, representing 13.1% and 6.9% of total assets respectively. The creditworthiness of customers may be impacted by specific and/or macro-economic conditions, resulting in overdue trade receivables or uncertainty in recoverability of contract assets. The Group applied the simplified approach and calculated expected credit losses ("ECL") based on lifetime expected losses for trade receivables and contract assets.

This involves significant judgement as the ECL should reflect information about past events, current conditions and forecasts of future conditions. Accordingly, we have identified this as key audit matter.

We performed the following audit procedures, amongst others, in response to the above-mentioned key audit matter:

- Obtained an understanding of the Group's credit policies and credit assessment procedures and the controls relating to the monitoring of trade receivables and contract assets;
- Evaluated management's assumptions used in establishing the ECL impairment model through analysis of receivables ageing, review of historical debtor-specific credit loss experiences and consideration of data and information used by management in determining the forward-looking adjustments analysed in accordance to debtors' ageing and grouping customers based on customer profiles, taking into consideration the current economic condition in determining the loss rates;
- Reviewed the collectability of material and long aged trade receivables by way of obtaining evidence of receipts from customers subsequent to the balance sheet date. For long overdue debts without subsequent collection, we discussed with management on their assessment of the ECL for these trade receivables. Where applicable, we reviewed customers' payment history and correspondences between the Group and the customers on expected settlement; and
- Obtained trade receivables confirmations for selected customers. For non-replies, we performed alternative audit procedures by checking to supporting sales and delivery documents or checking subsequent cash settlements and agreed to receipts in the form of bank advice or equivalent and bank statements.

We also assessed the adequacy of the relevant notes disclosure. The related disclosures on the ECL for trade receivables, contract assets and credit risk management process are included in Note 2.15, Note 14, Note 25(c) and Note 35 to the financial statements. The key sources of estimation uncertainty in relation to expected credit losses for trade receivables and contract assets are disclosed in Note 3.2 to the financial statements.

# INDEPENDENT AUDITOR'S REPORT

To the Members of Far East Group Limited

## Key Audit Matters (cont'd)

### Impairment of investments in subsidiaries

As at 31 December 2025, the Company has investments in subsidiaries with carrying values of \$20,570,000, representing 24.7% of the Company's total assets. The carrying amount of the investments in subsidiaries are reviewed periodically by management to assess whether there are indicators of impairment and if there are such indicators, an estimate is made for the recoverable amount of the asset concerned.

For those subsidiaries where there are indicators of impairment, management has prepared cash flow forecasts to assess the recoverable amounts of the respective subsidiaries. This assessment requires management to make judgements over certain key inputs for the forecasts in relation to annual revenue growth rate, terminal growth rate, forecasted gross margins and discount rate. Given the materiality of the investments in subsidiaries and significant judgement and estimation involved in the impairment assessment, we have identified the impairment of investments in subsidiaries as a key audit matter.

We performed the following audit procedures, amongst others, in response to the above-mentioned key audit matter:

- Reviewed management's assessment of indicators of impairment of the investments in subsidiaries and the methodology used by management to estimate value-in-use when indicators are present;
- Assessed the reasonableness of key assumptions such as annual revenue growth rate and forecasted gross margins used in the forecast by comparing to historical trend and the latest budget approved by management and other available information;
- Involved our internal valuation specialists to assist us in assessing the reasonableness of the discount rate and terminal growth rate used in the forecast; and
- Performed sensitivity analysis of the recoverable amount to changes in the key assumptions taking into consideration the general economic outlook.

We also assessed the adequacy of the relevant notes disclosure. The related disclosures are included in Note 2.10 and Note 9 to the financial statements. The key sources of estimation uncertainty in relation to impairment of non-financial assets are disclosed in Note 3.2 to the financial statements.

# INDEPENDENT AUDITOR'S REPORT

To the Members of Far East Group Limited

## Other Information

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

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

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

## Responsibilities of Management and Directors for the Financial Statements

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

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

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

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

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

# INDEPENDENT AUDITOR'S REPORT

To the Members of Far East Group Limited

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

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

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

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

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

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

# INDEPENDENT AUDITOR'S REPORT

To the Members of Far East Group Limited

## 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 Ho Shyan Yan.

Ernst & Young LLP  
Public Accountants and  
Chartered Accountants  
2 April 2026

# BALANCE SHEETS

As at 31 December 2025

(Amounts expressed in Singapore dollars)

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Non-current assets</b>					
Fixed assets	4	23,052	23,977	19,156	19,699
Investment property	5	–	–	–	–
Intangible assets	6	188	188	–	–
Right-of-use assets	7	14,018	14,574	13,318	13,554
Land use rights	8	1,528	1,580	–	–
Investments in subsidiaries	9	–	–	20,570	20,570
Investment in associates	10	9,825	9,620	7,281	7,281
Investment securities	11	11,525	8,775	–	–
Deferred tax assets	12	1,085	1,412	–	–
Other receivables		120	–	120	–
		61,341	60,126	60,445	61,104
<b>Current assets</b>					
Inventories	13	16,613	16,467	7,087	6,475
Investment securities	11	486	1,601	486	1,601
Trade receivables	14	15,400	17,504	1,272	941
Contract assets	25	8,154	12,479	–	648
Other receivables		971	1,752	576	529
Deposits		393	403	81	57
Prepayments		289	322	44	103
Advance payment to suppliers		3,591	2,969	2,593	2,394
Amounts due from subsidiaries (trade)	15	–	–	399	1,777
Amounts due from subsidiaries (non-trade)	15	–	–	7,241	6,846
Amounts due from associates (trade)	15	276	224	–	–
Amounts due from associates (non-trade)	15	132	133	–	–
Tax recoverable		31	60	–	–
Fixed asset held for sale	16	63	61	–	–
Fixed deposits	17	207	458	7	208
Cash and bank balances	17	9,634	6,012	3,092	1,286
		56,240	60,445	22,878	22,865
<b>Total assets</b>		117,581	120,571	83,323	83,969

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# BALANCE SHEETS

As at 31 December 2025

(Amounts expressed in Singapore dollars)

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Current liabilities</b>					
Trade payables	18	7,998	10,634	618	1,286
Contract liabilities	25	1,254	1,777	445	253
Trust receipts (secured)	19	12,570	11,731	8,732	7,990
Other payables		1,094	1,223	197	244
Accruals and other liabilities	20	12,527	12,797	4,675	3,614
Dividend payable		28	28	28	28
Amounts due to subsidiaries (trade)	15	–	–	7,282	7,136
Amounts due to subsidiaries (non-trade)	15	–	–	1,144	264
Provision for income tax		141	296	–	–
Lease liabilities (current)	7	859	879	588	568
Term loans (current)	21	5,859	9,103	3,669	4,739
		42,330	48,468	27,378	26,122
<b>Net current assets/(liabilities)</b>		13,910	11,977	(4,500)	(3,257)
<b>Non-current liabilities</b>					
Deferred tax liabilities	12	3,085	2,588	–	–
Lease liabilities (non-current)	7	13,904	14,285	13,693	13,848
Term loans (non-current)	21	8,467	10,164	8,467	10,164
		25,456	27,037	22,160	24,012
<b>Total liabilities</b>		67,786	75,505	49,538	50,134
<b>Net assets</b>		49,795	45,066	33,785	33,835
<b>Equity attributable to owners of the Company</b>					
Share capital	22	19,680	19,680	19,680	19,680
Retained earnings		22,850	20,817	13,783	13,833
Fair value adjustment reserve	23	8,978	6,778	–	–
Capital reserve		230	230	322	322
Translation reserve	24	(3,882)	(4,423)	–	–
		47,856	43,082	33,785	33,835
<b>Non-controlling interests</b>		1,939	1,984	–	–
<b>Total equity</b>		49,795	45,066	33,785	33,835

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2025

(Amounts expressed in Singapore dollars)

	Note	Group	
		2025 \$'000	2024 \$'000
<b>Revenue</b>	25	89,197	98,743
Cost of sales		(70,376)	(80,136)
Gross profit		18,821	18,607
Other operating income	26	2,968	3,700
Distribution and selling expenses		(5,715)	(5,784)
Administrative expenses		(11,836)	(12,089)
Reversal of impairment loss/(impairment loss) on trade and other receivables and contract assets		123	(39)
Other operating expenses	27	(570)	(36)
Share of results of associates	10	868	1,326
<b>Profit from operations</b>	28	4,659	5,685
Finance expenses	30	(1,667)	(2,257)
Interest income		45	62
<b>Profit before tax</b>		3,037	3,490
Tax expense	31	(785)	(669)
<b>Profit for the year</b>		2,252	2,821
<b>Attributable to:</b>			
Owners of the Company		2,234	2,991
Non-controlling interests		18	(170)
		2,252	2,821
<b>Profit per share</b>			
Basic and diluted (cents)	32	2.00	2.68

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

(Amounts expressed in Singapore dollars)

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	\$'000	\$'000
<b>Profit for the year</b>	2,252	2,821
<b>Other comprehensive income:</b>		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Net fair value gain on equity instrument at fair value through other comprehensive income (" <b>FVOCI</b> ")	2,603	1,600
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign currency translation	112	94
<b>Total comprehensive income for the year</b>	<u>4,967</u>	<u>4,515</u>
<b>Attributable to:</b>		
Owners of the Company	4,975	4,685
Non-controlling interests	(8)	(170)
	<u>4,967</u>	<u>4,515</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2025

(Amounts expressed in Singapore dollars)

	Attributable to owners of the Company							Non- controlling interests \$'000
	Equity, total \$'000	Equity attributable to owners of the Company, total \$'000	Share capital \$'000	Retained earnings \$'000	Fair value adjustment reserve \$'000	Capital reserve \$'000	Translation reserve \$'000	
<b>Group</b>								
<b>As at 1 January 2024</b>	40,611	38,397	19,680	17,826	4,977	230	(4,316)	2,214
Profit/(loss) for the year	2,821	2,991	-	2,991	-	-	-	(170)
<u>Other comprehensive income</u>								
Foreign currency translation	94	94	-	-	201	-	(107)	-*
Net fair value gain on equity instrument at FVOCI	1,600	1,600	-	-	1,600	-	-	-
Total comprehensive income for the year	4,515	4,685	-	2,991	1,801	-	(107)	(170)
<u>Contributions by and distribution to owners</u>								
Dividends paid to non-controlling interest of a subsidiary	(60)	-	-	-	-	-	-	(60)
<b>As at 31 December 2024</b>	45,066	43,082	19,680	20,817	6,778	230	(4,423)	1,984

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2025

(Amounts expressed in Singapore dollars)

	Attributable to owners of the Company							
	Equity, total \$'000	Equity attributable to owners of the Company, total \$'000	Share capital \$'000	Retained earnings \$'000	Fair value adjustment reserve \$'000	Capital reserve \$'000	Translation reserve \$'000	Non- controlling interests \$'000
<b>Group</b>								
<b>As at 1 January 2025</b>	45,066	43,082	19,680	20,817	6,778	230	(4,423)	1,984
Profit for the year	2,252	2,234	-	2,234	-	-	-	18
<u>Other comprehensive income</u>								
Foreign currency translation	112	138	-	-	(403)	-	541	(26)
Net fair value gain on equity instrument at FVOCI	2,603	2,603	-	-	2,603	-	-	-
Total comprehensive income for the year	4,967	4,975	-	2,234	2,200	-	541	(8)
<u>Contributions by and distribution to owners</u>								
Dividends on ordinary shares (Note 39)	(201)	(201)	-	(201)	-	-	-	-
Dividends paid to non-controlling interest of a subsidiary	(37)	-	-	-	-	-	-	(37)
<b>As at 31 December 2025</b>	49,795	47,856	19,680	22,850	8,978	230	(3,882)	1,939

\* Amount is less than \$1,000

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2025

(Amounts expressed in Singapore dollars)

<b>Company</b>	<b>Equity, total</b> \$'000	<b>Share capital</b> \$'000	<b>Retained earnings</b> \$'000	<b>Capital reserve</b> \$'000
<b>As at 1 January 2024</b>	34,046	19,680	14,044	322
Loss for the year, representing total comprehensive income for the year	(211)	–	(211)	–
<b>As at 31 December 2024 and 1 January 2025</b>	33,835	19,680	13,833	322
Profit for the year, representing total comprehensive income for the year	151	–	151	–
<u>Contributions by and distribution to owners</u>				
Dividends on ordinary shares (Note 39)	(201)	–	(201)	–
<b>As at 31 December 2025</b>	33,785	19,680	13,783	322

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025

(Amounts expressed in Singapore dollars)

	Note	Group	
		2025 \$'000	2024 \$'000
<b>Operating activities</b>			
Profit before tax		3,037	3,490
Adjustments:			
(Reversal of impairment loss)/impairment loss on trade and other receivables and contract assets		(123)	39
(Written back)/allowance for obsolete and slow-moving inventories, net	28	(439)	573
Fixed assets written off	28	–	5
Gains on disposal of fixed assets, net	26	(3)	(11)
Gains on disposal of investment property	26	–	(637)
Depreciation of investment property	28	–	1
Depreciation of fixed assets	28	1,486	1,599
Depreciation of right-of-use assets	28	1,067	1,019
Depreciation of land use rights	28	43	43
Dividend income from investment securities	26	(330)	(310)
Net fair value gain on investment securities	26	(131)	(133)
Finance expenses	30	1,667	2,257
Interest income		(45)	(62)
Share of results of associates	10	(868)	(1,326)
Translation differences		403	453
<b>Operating cash flows before working capital changes</b>		5,764	7,000
<i>(Increase)/decrease in:</i>			
Inventories		293	(1,442)
Trade receivables		2,124	(1,914)
Other receivables		(135)	(242)
Contract assets		4,428	(2,366)
Deposits, prepayments and advance payment to suppliers		(579)	227
Amounts due from associates (trade)		(52)	375
<i>Increase/(decrease) in:</i>			
Trade payables		9,934	12,985
Contract liabilities		(523)	(726)
Other payables		(129)	321
Accruals and other liabilities		(270)	2,355
<b>Cash flows generated from operations</b>		20,855	16,573
Interest paid		(1,063)	(1,635)
Income taxes paid		(565)	(457)
Income taxes refunded		48	5
Interest income		45	62
<b>Net cash flows generated from operating activities</b>		19,320	14,548

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025

(Amounts expressed in Singapore dollars)

	Note	Group	
		2025	2024
		\$'000	\$'000
<b>Investing activities</b>			
Proceeds from disposal of fixed assets		8	12
Proceeds from disposal of investment property	5	683	–
Proceeds from disposal of investment securities		1,246	–
Purchase of fixed assets		(620)	(231)
Purchase of investment securities		–	(471)
Dividends received		1,167	523
<b>Net cash flows generated from/(used in) investing activities</b>		<b>2,484</b>	<b>(167)</b>
<b>Financing activities</b>			
Dividends paid to non-controlling interest of a subsidiary		(37)	(60)
Dividends paid on ordinary shares	39	(201)	–
Amounts due from associates (non-trade)		1	–
Fixed deposits pledged to bank		–	200
Repayment of trust receipts		(41,915)	(41,994)
Proceeds from trust receipts		30,209	31,059
Payment of principal portion of lease liabilities		(912)	(883)
Interest paid on lease liabilities	7	(604)	(622)
Proceeds from term loans		5,464	25,035
Repayment of term loans		(10,404)	(26,817)
<b>Net cash flows used in financing activities</b>		<b>(18,399)</b>	<b>(14,082)</b>
<b>Net increase in cash and cash equivalents</b>		<b>3,405</b>	<b>299</b>
Effect of exchange rate changes on cash and cash equivalents		(34)	(21)
Cash and cash equivalents at beginning of year		6,470	6,192
<b>Cash and cash equivalents at end of year</b>	17	<b>9,841</b>	<b>6,470</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 1. Corporate information

Far East Group Limited (the “**Company**”) is a limited liability company incorporated and domiciled in Singapore and listed on the Catalist of Singapore Exchange Securities Trading Limited (SGX-ST). The registered office and principal place of business of the Company is located at 51 Ubi Avenue 3, Singapore 408858.

The Company’s immediate and ultimate holding company is Universal Pte. Ltd., incorporated in Singapore.

The principal activities of the Company are manufacturing and trading of refrigeration parts, servicing of cold rooms, construction and installation of commercial and industrial cold rooms and all other incidental business of refrigeration.

The principal activities of its subsidiaries are disclosed in Note 9 to the financial statements.

## 2. Material accounting policies

### 2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”). The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or \$), which is the Company’s functional currency. All financial information presented in SGD has been rounded to the nearest thousand (\$’000), unless otherwise indicated.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

### 2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on 1 January 2025. The adoption of these standards did not have any material effect on the financial statements of the Group.

### 2.3 Standards issued but not yet effective

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in preparing these financial statements.

The directors expect that the adoption of these new and amended standards will have no material impact on the financial statements in the year of initial application, apart from SFRS(I) 18 *Presentation and Disclosure in Financial Statements* issued on 4 October 2024, effective for financial years beginning on or after 1 January 2027.

#### SFRS(I) 18 *Presentation and Disclosure in Financial Statements*

SFRS(I) 18 is a new standard that replaces SFRS(I) 1-1 *Presentation of Financial Statements*. SFRS(I) 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes.

In addition, narrow-scope amendments have been made to SFRS(I) 1-7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from ‘profit or loss’ to ‘operating profit or loss’ and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

SFRS(I) 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. SFRS(I) 18 will apply retrospectively. The Group is currently working to identify all impact the amendments will have on the primary financial statements and notes to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 2. Material accounting policies (cont'd)

### 2.4 Basis of consolidation and business combinations

#### (a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

#### (b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets are recognised on the acquisition date at fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

## 2. Material accounting policies (cont'd)

### 2.4 Basis of consolidation and business combinations (cont'd)

#### (b) Business combinations and goodwill (cont'd)

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

### 2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

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

### 2.6 Functional and foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

#### (a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 2. Material accounting policies (cont'd)

### 2.6 Functional and foreign currency (cont'd)

#### (b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss.

### 2.7 Fixed assets

All fixed assets are initially recorded at cost. Subsequent to recognition, fixed assets other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold buildings	20 to 32 years
Plant and machinery	5 to 10 years
Motor vehicles	5 to 10 years
Renovation and leasehold improvements	3 to 30 years
Office equipment, furniture and fittings	3 to 10 years
Computers	1 to 3 years
Software	10 years

Assets under construction included in fixed assets are not depreciated as these assets are not yet available for use.

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each reporting date, and adjusted prospectively, if appropriate.

An item of fixed asset is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

## 2. Material accounting policies (cont'd)

### 2.8 Investment properties

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business.

Investment properties are initially measured at cost, including transaction costs and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives of 50 years. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted if appropriate, at the end of each reporting period. The effects of any revision are included in the profit or loss when the changes arise.

The carrying value of investment properties are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment properties are recognised in profit or loss in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell.

### 2.9 Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated depreciation. The land use rights are depreciated on a straight-line basis over the lease term of 50 years.

### 2.10 Impairment of non-financial assets

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

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

Impairment losses are recognised in profit or loss.

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

### 2.11 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less impairment losses.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 2. Material accounting policies (cont'd)

### 2.12 Associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associates using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investments in associates are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of the operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate are prepared for the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's balance sheet, investments in associates are stated at cost less accumulated impairment.

### 2.13 Affiliated companies

An affiliated company is a company, not being a subsidiary, associated company or joint venture company, in which one or more of the directors or shareholders of the Company or its subsidiaries have a significant equity interest or exercise significant influence.

### 2.14 Financial instruments

#### (a) Financial assets

##### Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

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

Trade receivables are measured at the amount of 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 party, if the trade receivables do not contain a significant financing component at initial recognition.

## 2. Material accounting policies (cont'd)

### 2.14 Financial instruments (cont'd)

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

##### Subsequent measurement

###### Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

###### Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income ("OCI"). Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

##### De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

#### (b) Financial liabilities

##### Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

##### Subsequent measurement

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

##### De-recognition

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 2. Material accounting policies (cont'd)

### 2.14 Financial instruments (cont'd)

#### (c) Supplier finance arrangement

The Group classifies financial liabilities that arise from supplier finance arrangement as Trust Receipts in the balance sheets when the finance providers settle the liabilities owed to the suppliers. These arrangements provide the Group with extended payment terms.

Cash flows related to the settlement of the liabilities by the finance providers to suppliers are presented as operating cash outflow and a financing cash inflow, along with a financing cash outflow when the Group subsequently makes the payment to the finance providers.

### 2.15 Impairment of financial assets

The Group recognises an allowance for expected credit losses (“**ECLs**”) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. 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.

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.

The Group considers a financial asset in default when contractual payments are 90 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.

### 2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

### 2.17 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the weighted average method. The cost of raw materials comprises cost of purchase. The cost of work-in-progress and finished goods comprises costs of direct materials, direct labour, other direct costs and a proportion of manufacturing overheads based on normal operating capacity.

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

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

## 2. Material accounting policies (cont'd)

### 2.18 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.15 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

### 2.19 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 2.20 Employee benefits

#### (a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Company and subsidiaries in Singapore, Malaysia, Indonesia, Vietnam and People's Republic of China ("PRC") in the Group make contributions to the Central Provident Fund scheme in Singapore, Employees Provident Fund in Malaysia, Indonesia Social Security Program, Vietnam Social Insurance Fund and Social Pension Fund scheme in PRC respectively, which are defined contribution pension schemes. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

#### (b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period. Any employee leave entitlement expected to be settled beyond twelve months after the end of the reporting period is forfeited.

### 2.21 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### (a) As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

#### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The cost of a right-of-use asset also includes an estimate of the costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which the asset is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Group incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 2. Material accounting policies (cont'd)

### 2.21 Leases (cont'd)

#### (a) As lessee (cont'd)

##### Right-of-use assets (cont'd)

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	–	31 years
Office and warehouse premises	–	2 to 6 years
Motor vehicles	–	5 to 10 years
Office equipment	–	3 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.10.

##### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

##### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office equipment, employee dormitory and office and warehouse premises (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

#### (b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

## 2. Material accounting policies (cont'd)

### 2.22 Revenue

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.

#### (a) Sale of goods

The Group manufactures and distributes air-conditioning materials, refrigeration component parts for customers.

Revenue is recognised when the customer obtains control of the goods when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price, discounts and surcharges.

At the end of each reporting date, the Group updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes. The Group also updates its measurement of the asset for the right to recover returned goods for changes in its expectations about returned goods.

#### *Bill-and-hold arrangements*

In some bill-and-hold arrangements, even though the goods have not been delivered to the customers, the Group has satisfied its performance obligations as control of the goods have been transferred to the customers, and all of the following criteria are met: the reasons for the bill-and-hold arrangements are substantive, the products are identified separately as belonging to the customers, the products are ready for physical transfer to the customers, the customers have acknowledged their title to the goods and the Group does not have the ability to use the goods or to sell them to other customers.

#### (b) Project installation and maintenance services

Project installation and maintenance services relate to services provided to customers and the revenue is recognised upon rendering of service.

The amount of revenue recognised is based on the contracted transaction price, which comprises the type and value of service provided, price of goods and materials consumed or provided, discounts and surcharges.

At the end of each reporting date, the Group updates its assessment of the revenue recognised, including its assessment of whether an estimate of variable consideration is constrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes. The Group also updates its measurement of the asset for the right to recover returned goods for changes in its expectations about returned goods.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 2. Material accounting policies (cont'd)

### 2.22 Revenue (cont'd)

#### (c) Engineering contracts revenue

The Group provides services such as installing, commissioning, maintenance and repairs of air-conditioning, refrigeration, cold rooms, cooling towers, heating and ventilation systems. The Group's engineering contracts are accounted for as a single deliverable (i.e., single performance obligation).

The Group recognises revenue from engineering contracts over time as the Group's performance does not create an asset with alternative use to the Group and it has concluded that it has an enforceable right to payment for performance completed to date.

Contract revenue is recognised over time using input method, based on the total costs incurred to date as a proportion of the estimated total costs to be incurred.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed 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.

#### *Contract modifications*

The Group accounts for contract modifications arising from change orders to modify the scope or price of the contract as separate contracts if the modification adds distinct goods or services at their standalone selling prices. For contract modifications that add distinct goods or services but not at their standalone selling prices, the Group combines the remaining consideration in the original contract with the consideration promised in the modification to create a new transaction price that is then allocated to all remaining performance obligations. For contract modifications that do not add distinct goods or services, the Group accounts for the modification as continuation of the original contract and is recognised as a cumulative adjustment to revenue at the date of modification.

#### (d) Interest income

Interest income is recognised using the effective interest method.

#### (e) Dividend income

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

#### (f) Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

### 2.23 Taxes

#### (a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

## 2. Material accounting policies (cont'd)

### 2.23 Taxes (cont'd)

#### (b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

#### (c) Sales tax

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

### 3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

(i) Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the Group's regional business relationships and the nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions already recorded.

The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group's domicile.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the timing and level of future taxable profits together with future tax planning strategies.

As at 31 December 2025, the carrying amounts of the Group's tax recoverable, provision for income tax, deferred tax assets and deferred tax liabilities amounted to \$31,000 (2024: \$60,000), \$141,000 (2024: \$296,000), \$1,085,000 (2024: \$1,412,000) and \$3,085,000 (2024: \$2,588,000) respectively.

(ii) Assessment of classification of unquoted investment security

The Group holds 30% equity interest in its unquoted investment security. The Group does not participate in the operating and financing decision process, was unable to obtain representation on the board of directors and is unable to obtain timely financial information required to apply equity method. Based on these facts and circumstances, management concludes that the Group does not exercise significant influence over the unquoted investment security and classifies this investment as financial instrument carried at fair value through other comprehensive income.

### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the forecast for the next five years. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

As at 31 December 2025, the carrying amounts of the Company's investments in subsidiaries was \$20,570,000 (2024: \$20,570,000).

### 3. Significant accounting judgements and estimates (cont'd)

#### 3.2 Key sources of estimation uncertainty (cont'd)

(ii) Expected credit losses for trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. 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 provision 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 incorporated.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 35 to the financial statements.

As at 31 December 2025, the carrying amounts of the Group's and the Company's trade receivables and contract assets, including balances with subsidiaries and associates amounted to \$23,830,000 (2024: \$30,207,000) and \$1,671,000 (2024: \$3,366,000) respectively.

(iii) Fair value measurement of unquoted equity security

The Group has investment in unquoted equity security which is measured at FVOCI. The Group engaged an external valuation expert to perform an independent valuation.

This financial instrument is categorised as Level 3 in the fair value hierarchy where certain pricing inputs to value these instruments are unobservable. The valuation involves the application of unobservable inputs such as discount for lack of marketability used by the external valuation expert. Information about the fair value measurement is disclosed in Note 36 to the financial statements.

As at 31 December 2025, the carrying amount of the unquoted equity security amounted to \$11,525,000 (2024: \$8,775,000).

(iv) Revenue from engineering contracts

Engineering contracts revenue is recognised over time by reference to the Group's progress towards completing the performance obligations in the contracts. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the completion of the performance obligations within the contracts.

Significant assumptions are required to estimate the total contract costs that will affect the stage of completion and revenue recognised. The estimates are based on the past experiences and knowledge of the project director and the quantity surveyor team.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

As at 31 December 2025, the carrying amounts of the Group's and the Company's contract assets arising from engineering contracts amounted to \$8,154,000 (2024: \$12,479,000) and Nil (2024: \$648,000).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 4. Fixed assets

Group	Leasehold buildings \$'000	Plant and machinery \$'000	Motor vehicles \$'000	Renovation and leasehold improvements \$'000	Office equipment, furniture and fittings \$'000	Computers \$'000	Software \$'000	Total \$'000
<b>Cost</b>								
At 1 January 2024	29,370	5,676	196	2,056	644	359	1,585	39,886
Additions	-	67	17	42	77	28	-	231
Disposals	-	(176)	(11)	-	(1)	(8)	-	(196)
Write off	-	(1)	-	(32)	(34)	(6)	-	(73)
Reclassification to fixed asset held for sale (Note 16)	(178)	-	-	-	-	-	-	(178)
Translation differences	29	13	2	15	7	5	-	71
At 31 December 2024 and 1 January 2025	29,221	5,579	204	2,081	693	378	1,585	39,741
Additions	-	201	47	302	24	46	-	620
Disposals	-	(67)	-	(5)	-	(3)	-	(75)
Write off	-	-	-	-	(1)	(14)	-	(15)
Translation differences	(92)	(53)	1	4	1	-	-	(139)
At 31 December 2025	29,129	5,660	252	2,382	717	407	1,585	40,132

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 4. Fixed assets (cont'd)

Group (cont'd)	Leasehold buildings \$'000	Plant and machinery \$'000	Motor vehicles \$'000	Office			Total \$'000
				Renovation and leasehold improvements \$'000	equipment, furniture and fittings \$'000	Computers \$'000	
<b>Accumulated depreciation</b>							
At 1 January 2024	7,317	4,364	172	577	461	283	14,495
Charge for the year	1,046	236	19	83	57	48	1,599
Disposals	-	(176)	(11)	-	(1)	(7)	(195)
Write off	-	(1)	-	(32)	(29)	(6)	(68)
Reclassification to fixed asset held for sale (Note 16)	(117)	-	-	-	-	-	(117)
Translation differences	16	10	2	11	6	5	50
At 31 December 2024 and 1 January 2025	8,262	4,433	182	639	494	323	15,764
Charge for the year	1,038	229	11	82	62	47	1,486
Disposals	-	(67)	-	-	-	(3)	(70)
Write off	-	-	-	-	(1)	(14)	(15)
Translation differences	(53)	(38)	1	4	1	-	(85)
At 31 December 2025	9,247	4,557	194	725	556	353	17,080
<b>Net carrying amount</b>							
At 31 December 2024	20,959	1,146	22	1,442	199	55	23,977
At 31 December 2025	19,882	1,103	58	1,657	161	54	23,052

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 4. Fixed assets (cont'd)

Company	Leasehold buildings \$'000	Plant and machinery \$'000	Motor vehicles \$'000	Renovation and leasehold improvements \$'000	Office equipment, furniture and fittings \$'000	Computers \$'000	Software \$'000	Total \$'000
<b>Cost</b>								
At 1 January 2024	23,370	361	87	1,374	444	283	1,387	27,306
Additions	-	2	-	21	51	3	-	77
Write off	-	-	-	-	(17)	(1)	-	(18)
At 31 December 2024 and 1 January 2025	23,370	363	87	1,395	478	285	1,387	27,365
Additions	-	-	-	302	15	18	-	335
Write off	-	-	-	-	-	(9)	-	(9)
At 31 December 2025	23,370	363	87	1,697	493	294	1,387	27,691
<b>Accumulated depreciation</b>								
At 1 January 2024	4,384	167	87	261	257	263	1,296	6,715
Charge for the year	730	35	-	49	47	12	91	964
Write off	-	-	-	-	(12)	(1)	-	(13)
At 31 December 2024 and 1 January 2025	5,114	202	87	310	292	274	1,387	7,666
Charge for the year	730	35	-	52	50	11	-	878
Write off	-	-	-	-	-	(9)	-	(9)
At 31 December 2025	5,844	237	87	362	342	276	1,387	8,535
<b>Net carrying amount</b>								
At 31 December 2024	18,256	161	-	1,085	186	11	-	19,699
At 31 December 2025	17,526	126	-	1,335	151	18	-	19,156

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 4. Fixed assets (cont'd)

### Assets pledged as security

The following fixed assets are pledged as collateral for the Group's and the Company's banking facilities:

- (a) Leasehold buildings of the Company with net carrying amount of \$17,526,000 (2024: \$18,256,000); and
- (b) Leasehold buildings of subsidiaries with net carrying amount of \$2,356,000 (2024: \$2,703,000).

## 5. Investment property

	<b>Group</b> \$'000
<b>Cost:</b>	
At 1 January 2024	102
Disposal	(102)
At 31 December 2024, 1 January 2025 and 31 December 2025	–
<b>Accumulated amortisation:</b>	
At 1 January 2024	58
Depreciation	1
Disposal	(56)
Translation differences	(3)
At 31 December 2024, 1 January 2025 and 31 December 2025	–
<b>Net carrying amount:</b>	
At 31 December 2024	–
At 31 December 2025	–

In 2024, rental income amounting to \$13,000 was recognised in the income statement in respect of the investment property. The Group did not incur any significant direct operating expenses during both financial years.

The investment property was disposed of during the financial year 2024 for a cash consideration of \$683,000. The full proceeds were collected in January 2025.

## 6. Intangible assets

	<b>Goodwill</b> \$'000
At 31 December 2025 and 2024	188

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 6. Intangible assets (cont'd)

### Impairment testing of goodwill

Goodwill acquired through business combinations have been allocated to the following cash-generating units ("CGUs") for the purpose of impairment testing. The CGUs are represented by the Group's investments in its subsidiaries. The carrying amount of goodwill allocated to each CGU is as follows:

		Group	
		2025	2024
		\$'000	\$'000
CGU A	Eden Refrigeration Manufacturing (Jiangsu) Co., Ltd	182	182
CGU B	Green Point Compressor Services & Parts Sdn. Bhd.	6	6
		188	188

The recoverable amounts of CGUs have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period, except for CGU B. Management did not perform impairment testing of goodwill for CGU B as its carrying amount is considered not material.

The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow projections beyond the five-year period are as follows:

	Terminal growth rates (%)		Pre-tax discount rates (%)	
	2025	2024	2025	2024
CGU A	2.0	2.2	12.0	12.5

### *Key assumptions used in the value in use calculations*

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

**Budgeted gross margin** – Gross margin is based on average values achieved in the five years preceding the start of the budget period. This remained constant over the budget period and no major changes for the pricing are anticipated.

**Growth rate** – The forecasted growth rate is based on expected projects and customers of respective CGU.

**Pre-tax discount rate** – Discount rate represents the current market assessment of the risks, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of each CGU and derived from its weighted average cost of capital ("**WACC**"). The WACC takes into account both debt and equity.

### *Sensitivity to changes in assumptions*

With regards to the assessment of value in use for CGUs, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 7. Right-of-use assets/Lease liabilities

### As a lessee

In addition to the land use rights disclosed in Note 8, the Group and the Company have lease contracts for land, office and warehouse premises, office equipment and motor vehicles. These obligations under these leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension options which are further discussed below.

The Group also has certain leases of office equipment, employee dormitory and office and warehouse premises with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'leases of low-value assets' recognition exemptions for these leases.

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

	Leasehold land	Office and warehouse premises	Motor vehicles	Office equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>					
At 1 January 2024	12,058	460	495	1,453	14,466
Additions	715	329	86	–	1,130
Depreciation	(491)	(249)	(109)	(170)	(1,019)
Translation differences	–	4	(7)	–	(3)
At 31 December 2024 and 1 January 2025	12,282	544	465	1,283	14,574
Additions	445	92	–	5	542
Depreciation	(509)	(261)	(127)	(170)	(1,067)
Translation differences	–	(42)	9	2	(31)
At 31 December 2025	12,218	333	347	1,120	14,018
<b>Company</b>					
At 1 January 2024	12,058	47	5	1,424	13,534
Additions	715	–	–	–	715
Depreciation	(491)	(37)	(5)	(162)	(695)
At 31 December 2024 and 1 January 2025	12,282	10	–	1,262	13,554
Additions	445	–	–	–	445
Depreciation	(509)	(10)	–	(162)	(681)
At 31 December 2025	12,218	–	–	1,100	13,318

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 7. Right-of-use assets/Lease liabilities (cont'd)

### As a lessee (cont'd)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
At 1 January	15,164	14,906	14,416	14,270
Additions	542	1,130	445	715
Payments	(1,516)	(1,505)	(1,152)	(1,150)
Interest expense	604	622	572	581
Foreign exchange movement	(31)	11	–	–
At 31 December	14,763	15,164	14,281	14,416
Current	859	879	588	568
Non-current	13,904	14,285	13,693	13,848
At 31 December	14,763	15,164	14,281	14,416

The maturity analysis of lease liabilities is disclosed in Note 35.

The following are the amounts recognised in profit or loss:

	Group	
	2025 \$'000	2024 \$'000
Depreciation of right-of-use assets	1,067	1,019
Interest expense on lease liabilities	604	622
Lease expense not capitalised in lease liabilities (Note 28):		
- Expense relating to short-term leases (included in cost of sales and administrative expenses)	101	124
- Expense relating to leases of low-value assets (included in administrative expenses)	1	4
Total amount recognised in profit or loss	1,773	1,769

The Group had total cash outflows for leases of \$1,618,000 (2024: \$1,633,000). The Group also had non-cash additions to right-of-use assets and lease liabilities of \$542,000 (2024: \$1,130,000).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 7. Right-of-use assets/Lease liabilities (cont'd)

### As a lessor

The Group and the Company have entered into operating leases on its leasehold buildings. These non-cancellable leases have remaining lease terms of between 1 and 17 years (2024: 1 and 18 years).

Rental income recognised by the Group during the financial year ended 31 December 2025 is \$1,992,000 (2024: \$1,747,000).

The future minimum rental receivable under non-cancellable operating leases contracted for at the reporting period are as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Not later than one year	2,056	2,131	1,624	1,393
Two to five years	546	1,853	160	1,127
Later than five years	11	12	–	–
	<u>2,613</u>	<u>3,996</u>	<u>1,784</u>	<u>2,520</u>

## 8. Land use rights

	Group	
	2025 \$'000	2024 \$'000
<b>Cost</b>		
At 1 January	2,082	2,080
Translation differences	(11)	2
At 31 December	<u>2,071</u>	<u>2,082</u>
<b>Accumulated amortisation</b>		
At 1 January	502	458
Depreciation	43	43
Translation differences	(2)	1
At 31 December	<u>543</u>	<u>502</u>
<b>Net carrying amount</b>	<u>1,528</u>	<u>1,580</u>
Amount to be amortised:		
- Not later than one year	43	44
- Later than one year but not later than five years	173	175
- Later than five years	<u>1,312</u>	<u>1,361</u>

The Group has land use rights over a plot of state-owned land in the People's Republic of China ("PRC") where the Group's PRC manufacturing and storage facilities reside. The land use rights are not transferrable and have a remaining tenure of 36 years (2024: 37 years) up to 2061.

The land use rights are pledged as collateral for a subsidiary's term loans.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 9. Investments in subsidiaries

	<b>Company</b>	
	<b>2025</b>	<b>2024</b>
	\$'000	\$'000
Shares, at cost	21,960	21,513
Less: Impairment losses	(1,390)	(943)
	20,570	20,570

### a. Composition of the Group

The Group has the following investments in subsidiaries:

<b>Name</b>	<b>Principal activities</b>	<b>Principal place of business</b>	<b>Proportion (%) of ownership interest</b>	
			<b>2025</b>	<b>2024</b>
<u>Held by the Company</u>				
Far East Refrigeration (M) Sdn. Bhd. #	Trading of refrigeration and air-conditioning parts and investment holding	Malaysia	100	100
Far East Refrigeration Limited #	Trading of refrigeration and air-conditioning parts	Hong Kong	100	100
RSP Systems Pte Ltd ®	Supply and solutions provider of refrigeration and air-conditioning monitoring and energy management systems	Singapore	80.0	80.0
Eden Refrigeration Manufacturing (Jiangsu) Co., Ltd (“ERM”) #	Manufacturing and trading of electrical, refrigeration and air-conditioning equipment and parts	People's Republic of China	84.25	84.25
M-Tech Air-Con & Security Engineering Pte Ltd ®	Plumbing, heating (non-electrical) and air-conditioning engineering solutions in the heating, ventilation, air-conditioning and refrigeration industry	Singapore	100	100

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 9. Investments in subsidiaries (cont'd)

### a. Composition of the Group (cont'd)

Name	Principal activities	Principal place of business	Proportion (%) of ownership interest	
			2025	2024
<u>Held by the Company</u>				
FEG Logistics Pte Ltd <sup>@</sup>	General and refrigerated warehousing and storage	Singapore	100	100
GPS Compressor Services & Parts Pte Ltd <sup>@</sup>	Repair and maintenance for refrigeration and air-conditioning compressors	Singapore	100	100
Edenkool Pte Ltd <sup>@</sup>	Trading of refrigeration and air-conditioning parts (Inactive)	Singapore	100	100
Far East Refrigeration Vietnam Company Limited <sup>*</sup>	Trading of refrigeration and air-conditioning parts	Vietnam	100	100
P.T. Far East Refrigeration Indonesia <sup>^</sup>	Trading of refrigeration and air-conditioning parts	Indonesia	100	100
Coolwerkz Engineering Limited <sup>&amp;</sup>	Repair and installation of machinery and equipment	Myanmar	60.0	60.0
<u>Held through Far East Refrigeration (M) Sdn. Bhd.</u>				
Far East Enterprises (K.L.) Sdn. Bhd. <sup>#</sup>	Trading of electrical, refrigeration and air-conditioning equipment and parts (Inactive)	Malaysia	100	100
Far East Enterprises (Penang) Sdn. Bhd. <sup>#</sup>	Trading of electrical, refrigeration and air-conditioning equipment and parts (Inactive)	Malaysia	93.88	93.88
Green Point Compressor Services & Parts Sdn. Bhd. <sup>#</sup>	Repair and maintenance for air-conditioning compressors	Malaysia	100	100
<u>Held through Eden Refrigeration Manufacturing (Jiangsu) Co., Ltd</u>				
Elite Envirotech Co., Ltd <sup>&gt;</sup>	Manufacturing and trading of electrical, refrigeration and air-conditioning equipment and parts	People's Republic of China	51	51

<sup>@</sup> Audited by Ernst & Young LLP, Singapore

<sup>#</sup> Audited by member firms of EY Global in the respective countries

<sup>></sup> Audited by Shanghai Huiyong Certified Public Accountants in People's Republic of China

<sup>\*</sup> Audited by Global Auditing Co., Ltd in Vietnam

<sup>^</sup> Audited by KAP Eddy Hutarso & Satria in Indonesia

<sup>&</sup> Audited by Cho Cho Toe and Associates in Myanmar

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 9. Investments in subsidiaries (cont'd)

### b. Interest in subsidiary with material non-controlling interest ("NCI")

The Group has the following subsidiary with NCI that is material to the Group:

Name of Subsidiary	Principal place of business	Proportion of ownership interest held by NCI %	Profit/(loss) allocated to NCI during the reporting period \$'000	Accumulated NCI at the end of reporting period \$'000
<b>31 December 2025:</b>				
Eden Refrigeration Manufacturing (Jiangsu) Co., Ltd and its subsidiary	People's Republic of China	15.75	5	1,325
<b>31 December 2024:</b>				
Eden Refrigeration Manufacturing (Jiangsu) Co., Ltd and its subsidiary	People's Republic of China	15.75	(33)	1,341

#### Significant restrictions

The nature and extent of significant restrictions on the Group's ability to use or access assets and settle liabilities of subsidiaries with material non-controlling interests are cash and cash equivalents of \$1,708,000 (2024: \$1,236,000) held in the People's Republic of China, subject to local exchange control regulations. These regulations places restriction on the amount of currency being exported other than through dividends or exchanges of RMB to other currencies through authorised banks to conduct foreign exchange business.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 9. Investments in subsidiaries (cont'd)

### c. Summarised financial information about subsidiary with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiary with material non-controlling interests is as follows:

#### Summarised balance sheet

	<b>Eden Refrigeration Manufacturing (Jiangsu) Co., Ltd and its subsidiary</b>	
	<b>2025</b>	<b>2024</b>
	\$'000	\$'000
<b>Current</b>		
Assets	15,636	15,382
Liabilities	(11,840)	(11,745)
Net current assets	<u>3,796</u>	<u>3,637</u>
<b>Non-current</b>		
Assets	5,089	5,474
Liabilities	(482)	(623)
Net non-current assets	<u>4,607</u>	<u>4,851</u>
Net assets	<u>8,403</u>	<u>8,488</u>

#### Summarised statement of comprehensive income

Revenue	22,030	20,470
Profit/(loss) before tax	113	(40)
Income tax expense	(84)	(173)
Profit/(loss) after tax	<u>29</u>	<u>(213)</u>
Other comprehensive income	(112)	22
Total comprehensive income	<u>(83)</u>	<u>(191)</u>

#### Other summarised information

Net cash flows (used in)/generated from operations	(516)	478
Acquisition of significant fixed assets	<u>(233)</u>	<u>(74)</u>

In March 2026, the Company entered into a non-binding term sheet with the NCI of ERM to acquire 7.05% of the equity interest in ERM from the NCI. The impact of this transaction will only be determined when the details of the agreement with the NCI are finalised.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 10. Investment in associates

The Group's and the Company's carrying value of the investment in associates are summarised as below:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Fayi Technology Inc. ("Fayi Taiwan")	1,830	1,582	–	–
Comfresh Group Holdings Pty Ltd ("Comfresh")	7,225	7,357	7,281	7,281
Yealea Industry Co. Ltd ("Yealea")	770	681	–	–
	<u>9,825</u>	<u>9,620</u>	<u>7,281</u>	<u>7,281</u>

Name of associates	Principal activities	Country of incorporation/ Principal places of business	Proportion (%) of ownership interest	
			2025	2024
Fayi Taiwan >	Trading of electrical, refrigeration and air-conditioning equipment and parts	Republic of China (Taiwan)	27	27
Comfresh #	Growing, wholesaling and distribution of fresh produce such as fruits and vegetables	Australia	20	20
Yealea @	Manufacturing and trading of electrical, refrigeration and air-conditioning equipment and parts	People's Republic of China	14	14

# Audited by William Buck in Australia for group consolidation purposes

> Audited by Hon Ching & Co., Certified Public Accountants in the Republic of China (Taiwan)

@ Audited by Shanghai Xinyun Certified Public Accountants in People's Republic of China

Dividend income of \$749,000 (2024: \$55,000) were received from associates during the financial year. The activities of the associates are strategic to the Group activities.

Aggregate information about the Group's investment in Yealea that is not material is as follows:

	2025 \$'000	2024 \$'000
Profit after tax, representing total comprehensive income	<u>743</u>	<u>851</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 10. Investment in associates (cont'd)

The summarised financial information in respect of Fayi Taiwan and Comfresh based on its IFRS financial statements, adjusted to conform with group accounting policies, and a reconciliation with carrying amount of the investment in the consolidated financial statements are as follows:

### Summarised balance sheets

	Fayi Taiwan		Comfresh	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Assets	5,575	5,207	12,354	9,405
Liabilities	(1,678)	(1,622)	(4,415)	(15,192)
Net current assets/(liabilities)	3,897	3,585	7,939	(5,787)
<b>Non-current</b>				
Assets	3,638	3,719	85,484	75,595
Liabilities	(757)	(1,444)	(60,919)	(36,645)
Net non-current assets	2,881	2,275	24,565	38,950
Net assets	6,778	5,860	32,504	33,163
Proportion of the Group's ownership	27%	27%	20%	20%
Group's share of net assets	1,830	1,582	6,501	6,633
Goodwill on acquisition	–	–	795	795
Other adjustments	–	–	(71)	(71)
Carrying amount of the investment	1,830	1,582	7,225	7,357

### Summarised statements of comprehensive income

	Fayi Taiwan		Comfresh	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Revenue	9,573	9,007	92,075	82,410
Profit after tax	1,326	1,493	2,032	4,020
Proportion of the Group's ownership	27%	27%	20%	20%
Share of results of associates	358	403	407	804

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 11. Investment securities

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>At fair value through other comprehensive income ("FVOCI")</b>				
Unquoted equity security				
- Guangzhou Fayi Trading Co., Ltd. (" <b>Fayi Guangzhou</b> ")	11,525	8,775	-	-
<b>At fair value through profit or loss ("FVPL")</b>				
- Bonds (quoted)	486	1,601	486	1,601
	12,011	10,376	486	1,601
<b>Classified as:</b>				
Current	486	1,601	486	1,601
Non-current	11,525	8,775	-	-
	12,011	10,376	486	1,601

The Group has elected to measure the Fayi Guangzhou at FVOCI due to the Group's intention to hold the equity instruments for long-term appreciation.

During the financial year, the Group recognised a dividend income of \$330,000 (2024: \$310,000) from Fayi Guangzhou.

## 12. Deferred taxation

	Consolidated balance sheet		Consolidated income statement	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Deferred tax assets:</b>				
Provisions	434	495	61	(44)
Unutilised tax losses	424	727	303	86
Excess of tax written down value over net carrying amount of fixed assets and right-of-use assets	169	96	(73)	82
Lease liabilities	58	94	36	(26)
	1,085	1,412		
<b>Deferred tax liabilities</b>				
Fair value adjustments on unquoted investment securities	2,305	1,754	-	-
Fair value adjustments on acquisition of subsidiaries	2	2	-	-
Undistributed earnings of an associate	321	242	79	61
Unremitted foreign sourced income	457	590	-	64
	3,085	2,588		
Deferred tax expense			406	223

### Tax consequences of proposed dividends

There are no income tax consequences attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 39).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 13. Inventories

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
<b>Balance sheet</b>				
Raw materials (at cost or at net realisable value)	1,801	2,134	–	–
Work-in-progress (at cost)	209	250	–	53
Finished goods-in-transit (at cost)	4,652	2,737	3,049	1,757
Finished goods (at cost or at net realisable value)	9,951	11,346	4,038	4,665
	<u>16,613</u>	<u>16,467</u>	<u>7,087</u>	<u>6,475</u>
<b>Income statement</b>				
Inventories recognised as an expense in cost of sales	46,021	48,018		
Inclusive of the following charge:				
- (Written back)/allowance for obsolete and slow-moving inventories, net	(439)	573		

Management of the Group and the Company review the aging analysis of inventories to identify obsolete and slow-moving inventories at each reporting period. In 2025, allowance for obsolete and slow-moving inventories was written back as those inventories were sold above their carrying amounts.

## 14. Trade receivables

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Third party trade receivables	16,548	18,672	1,802	1,440
Allowance for ECL	(1,148)	(1,168)	(530)	(499)
	<u>15,400</u>	<u>17,504</u>	<u>1,272</u>	<u>941</u>

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

### Transfer of trade receivables

In 2024, the Group sold with recourse trade receivables to a bank for cash proceeds. These trade receivables have not been derecognised from the balance sheet because the Group retains substantially all of the risks and rewards – primarily credit risk. The amount received on transfer has been recognised as loans and borrowings (Note 21). The arrangement with the bank is such that the customers remit cash directly to the Group and the Group transfers the amounts collected to the bank.

The receivables are considered to be held within a held-to-collect business model consistent with the Group's continuing recognition of trade receivables.

Trade receivables denominated in foreign currencies at each reporting period are as follows:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
United States Dollar	606	167	584	143
Euro	198	171	198	171

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 14. Trade receivables (cont'd)

### Expected credit losses

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

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Trade receivables</b>				
<u>Movement in allowance accounts:</u>				
At 1 January	1,168	1,229	499	542
Allowance for the year	69	48	35	–
Written back	(89)	(53)	(4)	(23)
Written off against allowance	–	(61)	–	(20)
Exchange differences	–	5	–	–
At 31 December	1,148	1,168	530	499

## 15. Amounts due from/(to) subsidiaries Amounts due from/(to) associates

These balances are unsecured, non-interest bearing and repayable on demand in cash within twelve months from the end of the financial year, except for the Company's amounts due to subsidiaries (non-trade) of \$632,000 (2024: Nil) which bear interests at 2% (2024: Nil) per annum.

### Expected credit losses

The movement in allowance for expected credit losses on amounts due from subsidiaries and associate computed based on lifetime ECL is as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Amount due from associates</b>				
<u>Movement in allowance accounts:</u>				
At 1 January	–	180	–	180
Written back	–	(180)	–	(180)
At 31 December	–	–	–	–
<b>Amount due from subsidiaries</b>				
<u>Movement in allowance accounts:</u>				
At 1 January	–	–	6,288	5,402
Allowance for the year	–	–	555	1,449
Written back	–	–	(241)	(563)
At 31 December	–	–	6,602	6,288

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 15. Amounts due from/(to) subsidiaries Amounts due from/(to) associates (cont'd)

Amount due from subsidiaries and associates denominated in foreign currencies at each reporting period are as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
United States Dollar	–	–	2,416	3,131
RMB	–	–	155	892
Euro	–	–	3,270	3,471

Amount due to subsidiaries denominated in foreign currencies at each reporting period are as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
United States Dollar	–	–	6,733	6,583
Euro	–	–	335	243
RMB	–	–	101	146
MYR	–	–	632	–

## 16. Fixed asset held for sale

	Group	
	2025 \$'000	2024 \$'000
Leasehold buildings	63	61

As at 31 December 2025, the Group continues to be committed to a plan to sell its leasehold building (the "Property") in Malaysia. In 2024, the Property was reclassified from fixed asset to fixed asset held for sale.

## 17. Cash and bank balances Fixed deposits

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Cash and bank balances	9,634	6,012	3,092	1,286
Fixed deposits	207	458	7	208
	9,841	6,470	3,099	1,494

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

Fixed deposits are made for varying periods between one day and twelve months, depending on the immediate cash requirements of the Group and the Company, and earn interest at the respective short-term deposit rates. The weighted average effective interest rates as at 31 December 2025 for the Group and the Company were 2.67% (2024: 2.71%) and 0.92% (2024: 1.96%) per annum, respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 17. Cash and bank balances Fixed deposits (cont'd)

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

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
United States Dollar	1,416	394	1,037	377
Euro	330	100	315	100

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of the reporting period:

	Group	
	2025 \$'000	2024 \$'000
Cash and bank balances	9,634	6,012
Fixed deposits	207	458
Cash and cash equivalents	9,841	6,470

## 18. Trade payables

Trade payables are non-interest bearing and are normally settled on 30 to 90 days' terms, including those trade payables that are included in the Group's supplier finance arrangement.

Trade payables denominated in foreign currencies at each reporting period are as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
United States Dollar	413	722	413	722
Euro	–	190	–	170

Supplier finance arrangements are characterised by one or more finance providers offering to pay amounts that the Group owes its suppliers and the Group agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, when suppliers are paid. In order for the finance providers to pay the invoices, the goods must have been received or supplied and the invoices approved by the Group. Payment terms with suppliers have not been renegotiated in conjunction with the arrangement.

All trade payables subject to the supplier finance arrangement are included in trust receipts (Note 19) in the balance sheets.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 19. Trust receipts (secured)

Trust receipts of the Company are secured by way of legal mortgage on the Company's leasehold buildings with net carrying amount of \$17,526,000 (2024: \$18,256,000). Trust receipts of a subsidiary are secured by corporate guarantee from the Company.

The trust receipts provide the Group with extended payment terms to third party suppliers compared to the related invoice payment due date. Trust receipts are normally due 180 days from supplier's invoice date.

The trust receipts bear interest at 1.10% to 6.3% (2024: 1.29% to 7.03%) per annum above the bank's cost of funds. As at 31 December 2025, the effective interest rate was 3.48% (2024: 4.90%) per annum.

	Group			Company		
	31 December 2025	31 December 2024	1 January 2024	31 December 2025	31 December 2024	1 January 2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount of liabilities under supplier finance arrangement</b>						
Trust receipts	12,570	11,731	10,863	8,732	7,990	7,000
Of which the supplier has received payment from the finance provider	12,570	11,731	10,863	8,732	7,990	7,000

Trust receipts denominated in foreign currencies at each reporting period are as follows:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Euro	5,579	4,626	5,579	4,626
United States Dollar	3,020	3,088	3,020	3,088
Japanese Yen	17	–	17	–

## 20. Accruals and other liabilities

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Accrued operating expenses and purchases	12,026	12,303	4,340	3,297
Deposits received	501	494	335	317
	12,527	12,797	4,675	3,614

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 21. Term loans

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
<b>Secured term loans</b>				
(a) Invoice discounting and factoring loans bear interest at 1.75% per annum	–	3,230	–	–
(b) Term loan bears average interest at 2.75% (2024: 3.36%) per annum. The term loan is repayable in 180 monthly instalments commencing January 2018	9,766	10,966	9,766	10,966
(c) Term loan bears interest at 2.25% per annum. The term loan is repayable in 60 monthly instalments commencing October 2020 and fully repaid during the financial year	–	437	–	437
(d) Term loan bears interest at 2.25% (2024: 2.25%) per annum. The term loan is repayable in 60 monthly instalments commencing July 2021	369	990	369	990
(e) Revolving loans bear interest at rates ranging from 2.99% to 3.04% (2024: 4.94% to 5.58%) per annum with maturity dates within 12 months from the end of the financial year	2,001	2,510	2,001	2,510
(f) Term loans bear interest at rates ranging from 2.25% to 4.50% per annum. The term loans matured and were fully repaid during the financial year	–	1,134	–	–
(g) Term loans bear interest at rates ranging from 3.10% to 3.40% per annum with maturity dates within 12 months from the end of the financial year	2,190	–	–	–
	14,326	19,267	12,136	14,903
Repayable within 12 months	5,859	9,103	3,669	4,739
Repayable after 12 months	8,467	10,164	8,467	10,164
	14,326	19,267	12,136	14,903

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 21. Term loans (cont'd)

- (a) The invoice discounting and factoring loans are secured by corporate guarantee from the Company. The balances are denominated in SGD.
- (b)-(e) The term loans and revolving loans are secured by legal mortgages over the Company's leasehold buildings with net carrying amount of \$17,526,000 (2024: \$18,256,000). These loans include a financial covenant which requires the total carrying amount of these loans to not exceed 80% of the market value of the total pledged fixed assets. These balances are denominated in SGD.
- (f)-(g) The term loans are secured by a legal mortgage over a subsidiary's land use rights and leasehold buildings with net carrying amount of \$1,528,000 (2024: \$1,580,000) and \$2,356,000 (2024: \$2,703,000) respectively and guarantee by the Company. The loans are subject to financial covenants, including maintaining a loan-to-value ratio not exceeding 70%, net tangible assets of not less than \$5,000,000, EBITDA-to-interest coverage ratio of not less than 2.5 times and debt-to-net tangible assets ratio not exceeding 1.0. These balances are denominated in RMB except for an amount of Nil (2024: \$263,000) that are denominated in SGD.

The Group has no indication that it will have difficulty complying with those covenants. During the financial year ended 31 December 2025, the effective interest rates are 4.36% and 4.26% (2024: 5.50% and 5.49%) per annum for the Group and the Company, respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 21. Term loans (cont'd)

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

	Group						31 December 2025
	1 January 2025	Net cash flows from financing activities	New leases	Settlement of trade payables	Accretion of interest for lease liabilities	Foreign exchange movement	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trust receipts	11,731	(11,706)	-	12,570	-	(25)	-
Term loans							
- Current	9,103	(9,103)	-	-	-	(1)	5,860
- Non-current	10,164	4,163	-	-	-	-	(5,860)
Lease liabilities							
- Current	879	(879)	-	-	604	(31)	286
- Non-current	14,285	(637)	542	-	-	-	(286)
Total	46,162	(18,162)	542	12,570	604	(57)	-
							41,659

The "Other" column relates to reclassification of non-current portion of term loans and lease liabilities due to passage of time.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 21. Term loans (cont'd)

	Group						31 December 2024 \$'000	
	1 January 2024 \$'000	Net cash flows from financing activities \$'000	New leases \$'000	Settlement of trade payables \$'000	Accretion of interest for lease liabilities \$'000	Foreign exchange movement \$'000		Other \$'000
Trust receipts	10,863	(10,935)	-	11,731	-	72	-	11,731
Term loans								
- Current	8,424	(8,424)	-	-	-	1	9,102	9,103
- Non-current	12,624	6,642	-	-	-	-	(9,102)	10,164
Lease liabilities								
- Current	790	(790)	-	-	622	11	246	879
- Non-current	14,116	(715)	1,130	-	-	-	(246)	14,285
Total	46,817	(14,222)	1,130	11,731	622	84	-	46,162

The "Other" column relates to reclassification of non-current portion of term loans and lease liabilities due to passage of time.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 22. Share capital

	No. of shares '000	Group and Company		2024 \$'000
		2025 \$'000	No. of shares '000	
<b>Issued and fully paid ordinary shares</b>				
At 1 January and 31 December	111,462	19,680	111,462	19,680

The holders of the ordinary 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.

## 23. Fair value adjustment reserve

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

## 24. Translation reserve

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 25. Revenue

### (a) Disaggregation of revenue

Segment	Wholesale and Distribution		Manufacturing		Engineering Solutions		Elimination		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Primary geographical markets</b>										
Singapore	8,768	10,132	2,268	2,524	33,203	46,435	(2,941)	(3,430)	41,298	55,661
Malaysia	20,308	23,435	711	1,222	-	8	(6,050)	(9,601)	14,969	15,064
Indonesia	11,701	9,999	-	-	-	-	(4,494)	(3,469)	7,207	6,530
Hong Kong/Macau/People's Republic of China	6,594	5,393	19,036	16,709	-	-	(3,247)	(2,630)	22,383	19,472
Indo-China*	2,111	2,242	-	-	1,078	365	(1,015)	(1,219)	2,174	1,388
Others	1,149	613	17	15	-	-	-	-	1,166	628
	50,631	51,814	22,032	20,470	34,281	46,808			89,197	98,743
<b>Major revenue stream</b>										
Sale of goods	49,199	49,798	22,032	20,470	380	507	(17,747)	(20,349)	53,864	50,426
Project installation and maintenance services	-	-	-	-	4,114	4,056	-	-	4,114	4,056
Engineering contracts revenue	1,432	2,016	-	-	29,787	42,245	-	-	31,219	44,261
	50,631	51,814	22,032	20,470	34,281	46,808			89,197	98,743
<b>Timing of transfer of goods or services</b>										
At a point in time	49,199	49,798	22,032	20,470	4,253	4,477	(17,747)	(20,349)	57,737	54,396
Over time	1,432	2,016	-	-	30,028	42,331	-	-	31,460	44,347
	50,631	51,814	22,032	20,470	34,281	46,808			89,197	98,743

\* Refers to Vietnam, Myanmar and Cambodia

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 25. Revenue (cont'd)

### (b) Judgement and methods used in estimating revenue

#### Recognition of revenue from engineering contracts over time

For engineering contracts revenue where the Group satisfies its performance obligations over time, management has determined that a cost-based input method provides a faithful depiction of the Group's progress towards completing the performance obligation in the contract, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the engineering projects. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the completion of the engineering projects.

Project costs are estimated by the project director and the quantity surveyor team, based on contracted requirements, equipment specifications, and estimated man hours to be incurred. In making these estimates, management takes into consideration the historical trends of the amounts incurred in past similar contracts.

### (c) Contract assets and liabilities

Information about contract assets and liabilities from contracts with customers is disclosed as follows:

	Group			Company		
	31 December 2025	31 December 2024	1 January 2024	31 December 2025	31 December 2024	1 January 2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables from contracts with customers (Note 14)	15,400	17,504	15,585	1,272	941	1,794
Contract assets	8,154	12,479	10,337	–	648	104
Contract liabilities	1,254	1,777	2,503	445	253	941

During the financial year ended 31 December 2025, the Group recognised reversal of impairment losses on receivables from contract with customers amounting to \$20,000 (2024: reversal of impairment loss of \$5,000) and the Company recognised impairment loss on receivables from contract with customers amounting to \$31,000 (2024: reversal of impairment loss of \$23,000), respectively.

#### Expected credit losses

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

	Group	
	2025	2024
	\$'000	\$'000
Movement in allowance accounts:		
At 1 January	515	291
Allowance for the year	–	349
Written back	(103)	(125)
At 31 December	412	515

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 25. Revenue (cont'd)

### (c) Contract assets and liabilities (cont'd)

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date for construction contracts. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances received from customers for sale of goods and project installation and maintenance services. Contract liabilities are recognised as revenue as the Group performs under the contract.

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

	Group	
	2025	2024
	\$'000	\$'000
Contract assets reclassified to receivables	(12,078)	(7,761)
(Reversal of impairment loss)/Impairment losses on contract assets, net	(103)	224
Significant changes in contract liabilities are explained as follows:		
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	1,770	2,436

### (d) Transaction price allocated to remaining performance obligations

The aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2025 is \$63,635,000 (2024: \$40,313,000). This amount has not included the variable consideration that is constrained and therefore is not included in the transaction price.

The Group expects to recognise \$37,425,000 as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2025 in financial year ending 31 December 2026 and \$26,210,000 in the financial year ending 31 December 2027.

The Group recognised \$22,105,000 as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2024 in financial year ended 31 December 2025 and expects to recognise \$18,208,000 in the financial year ending 31 December 2026.

## 26. Other operating income

	Group	
	2025	2024
	\$'000	\$'000
Dividend income from investment securities	330	310
Gain on disposal of fixed assets, net	3	11
Gain on disposal of investment property	–	637
Rental income	1,992	1,747
Management fee earned from third party	35	36
Scrap sales	159	160
Government grants	63	62
Sponsorships and incentives	16	8
Net fair value gain on investment securities	131	133
Foreign currency gains, net	–	227
Others	239	369
	2,968	3,700

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 27. Other operating expenses

	Group	
	2025	2024
	\$'000	\$'000
Donations	34	36
Foreign currency loss, net	536	–
	570	36

## 28. Profit from operations

Other than as disclosed in Notes 26 and 27, profit from operations is arrived at after charging/(crediting) the following:

	Group	
	2025	2024
	\$'000	\$'000
Audit fees:		
- Auditor of the Company	200	200
- Other auditors – network firms	88	189
- Other auditors – non-network firms	58	10
Non-audit fees:		
Non-audit related services		
- Auditor of the Company	21	20
- Other auditors – network firms	9	34
Depreciation of land use rights	43	43
Depreciation of fixed assets	1,486	1,599
Depreciation of right-of-use assets	1,067	1,019
Depreciation of investment property	–	1
Personnel expenses (Note 29)	14,432	14,491
Director's fees		
- Directors of the Company	152	185
- Directors of subsidiaries	9	7
Director's remuneration		
- Directors of the Company	1,550	1,252
- Directors of subsidiaries	443	404
Fixed assets written off	–	5
Subcontractor charges included in cost of sales	12,733	22,710
Inventories recognised as an expense in cost of sales (Note 13), inclusive of the following charge:	46,021	48,018
- (Written back)/allowance for obsolete and slow-moving inventories, net	(439)	573
Lease expenses relating to short-term leases and leases of low-value assets (Note 7)	102	128

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 29. Personnel expenses

	Group	
	2025	2024
	\$'000	\$'000
Wages and salaries *	12,195	12,130
Defined contribution plans *	1,380	1,474
Other social expenses, net	857	887
	14,432	14,491

\* Personnel expenses include amounts disclosed as directors' remuneration in Note 28.

## 30. Finance expenses

	Group	
	2025	2024
	\$'000	\$'000
Interest expense on:		
- Term loans	625	1,059
- Trust receipts	437	575
- Lease liabilities	604	622
- Bank overdraft	1	1
	1,667	2,257

## 31. Tax expense

### Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2025 and 2024 are:

	Group	
	2025	2024
	\$'000	\$'000
<b>Consolidated income statement</b>		
Current income tax		
- Current income taxation	200	422
- Overprovision in respect of prior years	(82)	(151)
Deferred tax		
- Origination and reversal of temporary differences	242	297
- Under/(over) provision in respect of prior years	164	(74)
Withholding tax	261	175
	785	669

As at 31 December 2025, the Group had unrecognised tax losses and capital allowances of approximately \$11,522,000 (2024: \$12,206,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these losses and allowances is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. The tax losses and capital allowances have no expiry date.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 31. Tax expense (cont'd)

### Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2025 and 2024 is as follows:

	Group	
	2025 \$'000	2024 \$'000
Profit before tax	3,037	3,490
Tax at applicable rate of 17% (2024: 17%)	516	593
Tax effect of non-taxable income	(239)	(299)
Tax effect of non-deductible expenses	353	297
Tax effect arising from differences in tax rates	134	174
Under/(over) provision in respect of prior years	82	(225)
Deferred tax asset not recognised	–	201
Utilisation of previously unrecognised tax losses	(116)	–
Withholding tax	261	175
Effect of partial tax exemption and tax relief	(19)	(10)
Share of results of associates	(148)	(225)
Others	(39)	(12)
Tax expense	785	669

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

## 32. Profit per share

	Group	
	2025 \$'000	2024 \$'000
Profit for the year attributable to owners of the Company	2,234	2,991
	<b>No. of shares</b>	<b>No. of shares</b>
	'000	'000
Weighted average number of ordinary shares	111,462	111,462

Basic profit per share is calculated by dividing the profit for the year that is attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted profit per share is calculated by dividing profit for this year that is attributable to owners of the Company by the weighted average number of ordinary shares plus the weighted average number of ordinary shares that would be issued on the conversion of all the diluted potential ordinary shares into ordinary shares. There were no potential dilutive ordinary shares existing during the respective financial years.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 33. Related party information

### (a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Income</b>				
Sale of goods to subsidiaries	–	–	18,110	19,247
Sale of goods to associates	1,610	880	–	–
Sale of goods to affiliated companies	2,376	847	–	–
Management fee income from subsidiaries	–	–	1,878	2,084
Rental income from a subsidiary	–	–	540	513
Royalty fee income from a subsidiary	–	–	176	203
Dividend income from subsidiaries	–	–	568	815
Dividend income from an associate	–	–	664	–
<b>Expenses</b>				
Purchases from subsidiaries	–	–	2,635	3,262
Loan interest paid to subsidiaries	–	–	15	67

### (b) Compensation of key management personnel

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Executive Directors:				
Short-term employee benefits	1,508	1,226	1,432	1,226
- Central Provident Fund contributions	42	26	42	26
Executive Officers and key management:				
Short-term employee benefits	740	776	731	769
- Central Provident Fund contributions	32	40	32	40
Total compensation paid to key management personnel	2,322	2,068	2,237	2,061

Compensation paid to Directors relates to Director's remuneration in Note 28.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 34. Contingencies

### Guarantees

	Group	
	2025	2024
	\$'000	\$'000
Financial guarantees given to financial institutions in connection with facilities given to subsidiaries	8,837	12,176

The fair value of the financial guarantees provided for its subsidiaries is not expected to be material as a portion of the loans and borrowings are collateralised against the subsidiaries' leasehold buildings. Further, the probability of the subsidiaries defaulting on the credit lines is remote. Accordingly, no fair value of financial guarantees has been recognised.

## 35. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The Group's principal financial instruments, other than unquoted investment, comprise bank loans, trust receipts, leases liabilities, cash and bank balances and fixed deposits. The main purpose of these financial instruments is to finance the Group's and the Company's operations. The Group and the Company have various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The key financial risks include interest rate risk, liquidity risk, foreign currency risk and credit risk. The board of directors reviews and agrees policies for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

### Interest rate risk

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

Information relating to the Group's interest rate exposure is also disclosed in the notes on the Group's borrowings.

#### Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rate had been 50 (2024: 50) basis points lower/higher with all other variables held constant, the Group's profit before tax would have been \$208,000 higher/lower (2024: \$231,000 higher/lower), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 35. Financial risk management objectives and policies (cont'd)

### Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

In the management of liquidity risk, the Group monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Short-term funding is obtained from trust receipts, overdraft and revolving credit facilities.

The Group has entered into a supplier finance arrangement with finance providers and are, thus, with a single finance provider rather than individual suppliers. This results in the Group being required to settle a significant amount with a single finance provider, rather than less significant amounts with several counterparties. Refer to Note 18 and Note 19 for further disclosures about the arrangement.

### Analysis of financial liabilities by remaining contractual maturities

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

	<b>1 year or less</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
	\$'000	\$'000	\$'000	\$'000
<b>Group</b>				
<b>2025</b>				
Trade payables	7,998	–	–	7,998
Trust receipts (secured)	12,570	–	–	12,570
Other payables	1,094	–	–	1,094
Accruals and other liabilities	12,527	–	–	12,527
Dividend payable	28	–	–	28
Lease liabilities	1,406	4,213	16,351	21,970
Term loans	6,132	6,131	3,062	15,325
Total undiscounted financial liabilities	<u>41,755</u>	<u>10,344</u>	<u>19,413</u>	<u>71,512</u>
<b>2024</b>				
Trade payables	10,634	–	–	10,634
Trust receipts (secured)	11,731	–	–	11,731
Other payables	1,223	–	–	1,223
Accruals and other liabilities	12,797	–	–	12,797
Dividend payable	28	–	–	28
Lease liabilities	1,495	4,566	16,776	22,837
Term loans	9,672	7,071	5,000	21,743
Total undiscounted financial liabilities	<u>47,580</u>	<u>11,637</u>	<u>21,776</u>	<u>80,993</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 35. Financial risk management objectives and policies (cont'd)

### Liquidity risk (cont'd)

	1 year or less \$'000	1 to 5 years \$'000	More than 5 years \$'000	Total \$'000
<b>Company</b>				
<b>2025</b>				
Trade payables	618	–	–	618
Trust receipts (secured)	8,732	–	–	8,732
Other payables	197	–	–	197
Accruals and other liabilities	4,675	–	–	4,675
Dividend payable	28	–	–	28
Amounts due to subsidiaries	8,426	–	–	8,426
Lease liabilities	1,134	4,032	16,351	21,517
Term loans	3,906	6,131	3,062	13,099
Total undiscounted financial liabilities	27,716	10,163	19,413	57,292
<b>2024</b>				
Trade payables	1,286	–	–	1,286
Trust receipts (secured)	7,990	–	–	7,990
Other payables	244	–	–	244
Accruals and other liabilities	3,614	–	–	3,614
Dividend payable	28	–	–	28
Amounts due to subsidiaries	7,400	–	–	7,400
Lease liabilities	1,123	4,080	16,776	21,979
Term loans	5,293	7,071	5,000	17,364
Total undiscounted financial liabilities	26,978	11,151	21,776	59,905

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 35. Financial risk management objectives and policies (cont'd)

### Liquidity risk (cont'd)

The table below shows the contractual expiry by maturity of the Company's contingent liabilities. The maximum amount of the financial guarantee contracts is allocated to the earliest period in which the guarantees could be called.

	<b>1 year or less</b>
	<u>\$'000</u>
<b>Company</b>	
<b>2025</b>	
Financial guarantees provided to subsidiaries	<u>8,837</u>
<b>2024</b>	
Financial guarantees provided to subsidiaries	<u>12,176</u>

### Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to United States dollar ("**USD**") and Euro ("**EUR**"). Foreign exchange risk arises when future commercial transactions, recognised assets or liabilities, investments in foreign operations whose net assets are denominated in a currency other than the respective functional currencies of the Group entities, primarily SGD, Australian Dollar ("**AUD**"), Hong Kong Dollar ("**HKD**"), Ringgit Malaysia ("**RM**") and Chinese Renminbi ("**RMB**").

The Group is exposed to currency translation risk arising from its net investments in foreign operations, including Australia, Malaysia, Hong Kong and China. The Group's net investments in foreign operations are not hedged as currency positions in AUD, RM, HKD and RMB are considered to be long-term in nature.

#### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD and EUR exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	<b>Group</b>	
	<b>Increase/ (Decrease) in profit before tax</b>	<b>Increase/ (Decrease) in profit before tax</b>
	<b>2025</b>	<b>2024</b>
	<u>\$'000</u>	<u>\$'000</u>
USD/SGD - strengthened 5% (2024: 5%)	(148)	(233)
- weakened 5% (2024: 5%)	148	233
EUR/SGD - strengthened 5% (2024: 5%)	(280)	(192)
- weakened 5% (2024: 5%)	<u>280</u>	<u>192</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 35. Financial risk management objectives and policies (cont'd)

### **Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade receivables. For other financial assets (including cash and bank balances and fixed deposits), the Group and the Company minimises credit risk by dealing with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result of minimising the Group's exposure to bad debts.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents and other receivables (including related party balances), the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

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 financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

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;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations; and
- Actual or expected significant changes in the operating results of the borrower.

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 or the borrower;
- A breach of contract, such as a default or past due event; or
- It is becoming probable that the debtor or the borrower will enter bankruptcy or other financial reorganisation.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 35. Financial risk management objectives and policies (cont'd)

### Credit risk (cont'd)

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 180 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 recoveries are made, these are recognised in profit or loss. The Group's historical information shows low defaulted accounts which were also substantially recovered subsequently, resulting in insignificant write-offs.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

(i) Trade receivables and contract assets

The Group provides lifetime expected credit losses for all trade receivables and contract assets using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance with days past due by grouping of customers based on geographical region.

The expected credit losses also incorporate forward-looking information such as forecast of economic conditions which show the probability of defaults in the relevant industry.

The ageing analysis and ECLs for trade receivables and contract assets are as follows:

	Group			
	2025		2024	
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL
	\$'000	\$'000	\$'000	\$'000
Contract assets	8,566	412	12,994	515
Current	10,540	270	11,018	162
Less than 30 days	2,383	61	3,314	65
31 days to 60 days	685	18	1,531	40
61 days to 90 days	543	14	779	12
More than 90 days	2,397	785	2,030	889
Total	25,114	1,560	31,666	1,683

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 35. Financial risk management objectives and policies (cont'd)

### Credit risk (cont'd)

#### (i) Trade receivables and contract assets (cont'd)

Summarised below is the information about the credit risk exposure on the Group's trade receivables and contract assets using provision matrix, grouped by geographical region:

	Contract assets*	Singapore	Hong Kong/ Macau/ People's Republic of China	Malaysia	Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>31 December 2025</b>						
Gross carrying amount	8,566	8,125	3,483	2,755	2,185	25,114
Allowance for ECL	412	678	31	128	311	1,560
<b>31 December 2024</b>						
Gross carrying amount	12,994	10,013	3,329	3,240	2,090	31,666
Allowance for ECL	515	639	90	99	340	1,683

\* Contract assets are primarily from Singapore.

Information regarding ECL allowance movement of trade receivables and contract assets are disclosed in Note 14 and Note 25.

#### (ii) Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 35. Financial risk management objectives and policies (cont'd)

### Credit risk (cont'd)

#### (iii) Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	2025		2024	
	\$'000	% of total	\$'000	% of total
Singapore	7,447	49%	9,374	54%
Malaysia	2,627	17%	3,141	18%
Hong Kong/Macau/People's Republic of China	3,452	22%	3,239	18%
Indo-China*	131	1%	335	2%
Indonesia	1,388	9%	1,412	8%
Other countries	355	2%	3	0%
	<b>15,400</b>	<b>100%</b>	<b>17,504</b>	<b>100%</b>

\* Refers to Vietnam, Myanmar and Cambodia.

At the end of the reporting period, approximately 37% (2024: 33%) of the Group's trade receivables were due from 5 (2024: 5) major customers.

As at 31 December 2025, the Company has significant concentration of credit in the amounts due from subsidiaries and associates amounting to \$7,640,000 (2024: \$8,623,000).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 36. Fair value of assets and liabilities

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Financial assets</b>				
<i>Financial assets at FVOCI</i>				
Unquoted equity security	11,525	8,775	–	–
<i>Financial assets at FVPL</i>				
Held for trading investment securities	486	1,601	486	1,601
<i>Financial assets carried at amortised cost</i>				
Trade receivables	15,400	17,504	1,272	941
Other receivables	1,091	1,752	696	529
Deposits	393	403	81	57
Amounts due from subsidiaries (trade and non-trade)	–	–	7,640	8,623
Amounts due from associates (trade and non-trade)	408	357	–	–
Fixed deposits	207	458	7	208
Cash and bank balances	9,634	6,012	3,092	1,286
	27,133	26,486	12,788	11,644
<b>Financial liabilities</b>				
<i>Financial liabilities carried at amortised cost</i>				
Trade payables	7,998	10,634	618	1,286
Trust receipts	12,570	11,731	8,732	7,990
Other payables	1,094	1,223	197	244
Accruals and other liabilities	12,527	12,797	4,675	3,614
Dividend payable	28	28	28	28
Amounts due to subsidiaries (trade and non-trade)	–	–	8,426	7,400
Lease liabilities	14,763	15,164	14,281	14,416
Term loans	14,326	19,267	12,136	14,903
	63,306	70,844	49,093	49,881

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 36. Fair value of assets and liabilities (cont'd)

### (a) Fair value hierarchy

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

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group 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.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

### (b) Assets carried at fair value

	Group			
	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>2025</b>				
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
At FVOCI – unquoted equity security (Note 11)	–	–	11,525	11,525
At FVPL – held for trading investment securities (quoted) (Note 11)	486	–	–	486
<b>2024</b>				
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
At FVOCI – unquoted equity security (Note 11)	–	–	8,775	8,775
At FVPL – held for trading investment securities (quoted) (Note 11)	1,601	–	–	1,601

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 36. Fair value of assets and liabilities (cont'd)

### (c) Level 3 fair value measurements

#### i. Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value as at 31 December 2025	Valuation techniques	Unobservable inputs	Rate
	\$'000			
<b>Recurring fair value measurements</b>				
<b>At FVOCI</b>				
Unquoted equity security	11,525	Market comparable approach	Discount for lack of marketability ("DLOM")	25%
Description	Fair value as at 31 December 2024	Valuation techniques	Unobservable inputs	Rate
	\$'000			
<b>Recurring fair value measurements</b>				
<b>At FVOCI</b>				
Unquoted equity security	8,775	Market comparable approach	DLOM	25%

An increase (decrease) in DLOM rate would result in a lower (higher) fair value measurement.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 36. Fair value of assets and liabilities (cont'd)

### (c) Level 3 fair value measurements (cont'd)

#### i. Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

The following table shows the impact on the Level 3 fair value measurement of assets that are sensitive to changes in unobservable inputs that reflect reasonably possible alternative assumptions. The positive and negative effects are approximately the same.

	Effect of reasonably possible alternative assumptions (Decrease)/increase in other comprehensive income	
	2025	2024
	\$'000	\$'000
<b>Recurring fair value measurements</b>		
<b>Financial assets at FVOCI</b>		
Unquoted equity security		
– increase DLOM to 35%	(1,500)	(1,000)
– decrease DLOM to 15%	1,500	1,000

#### ii. Movements in Level 3 assets measured at fair value

The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3):

	Fair value measurements using significant unobservable inputs (Level 3)	
	2025	2024
	\$'000	\$'000
Financial assets at FVOCI		
Unquoted equity security		
At 1 January	8,775	6,522
Increase in fair value for the year, included in other comprehensive income	2,750	2,253
At 31 December	11,525	8,775

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 36. Fair value of assets and liabilities (cont'd)

### (c) Level 3 fair value measurements (cont'd)

#### iii. Valuation policies and procedures

The Group's Chief Financial Officer, who is assisted by the Group Financial Controller (collectively referred to as the "**CFO Office**"), oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures. In this regard, the CFO Office reports to the Group's Audit Committee.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 *Fair Value Measurement* guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

The CFO Office documents and reports its analysis and results of the external valuations to the Audit Committee as and when it is required. The Audit Committee performs a high-level independent review of the valuation process and results and recommends if any revisions need to be made before presenting the results to the Board of Directors for approval.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 37. Capital management

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

The primary objective of the Group's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.

The management regularly reviews the Group's capital structure and makes adequate adjustments to reflect economic conditions, business strategies and future commitments. No changes were made to the objectives, policies and processes during the years ended 31 December 2025 and 31 December 2024.

The Group and the Company are required to comply with certain financial covenants as imposed by certain financial institutions with respect to banking facilities that were granted. The Group and the Company continuously monitor its compliance with these covenants. As at 31 December 2025 and 2024, the Group and the Company have complied with these covenants.

The Group monitors capital using a gearing ratio, which is loans and borrowings divided by total capital plus loans and borrowings. The Group includes within total loans and borrowings, trust receipts (secured), leases liabilities under hire purchase and term loans (secured). Capital includes equity attributable to the owners of the Company.

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Trust receipts (secured)	12,570	11,731	8,732	7,990
Leases liabilities under hire purchase	882	1,454	763	1,258
Term loans (Note 21)	14,326	19,267	12,136	14,903
Loans and borrowings	27,778	32,452	21,631	24,151
Equity attributable to owners of the Company	47,856	43,082	33,785	33,835
Capital and loans and borrowings	75,634	75,534	55,416	57,986
Gearing ratio percentage	37%	43%	39%	42%

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 38. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

- Wholesale and Distribution segment represents the sale of the Group's own manufactured products, multinational agency products and other distribution models of the Group;
- Manufacturing segment mainly comprises the manufacturing and sale of the Group's comprehensive range of energy-efficient heat-exchangers, compressor racks and condensing units; and
- Engineering Solutions segment represents the provision of system design and installation of various sustainable engineering solutions and applications for various industries.

Except as indicated above, no operating segment has been aggregated to form the above reportable operating segment.

Management monitors the gross profit or loss of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on gross profit or loss only.

Assets and liabilities, as well as income and expenses (other than revenue and cost of sales) are managed on a group basis and are not allocated to operating segments.

Group	Wholesale and Distribution \$'000	Manufacturing \$'000	Engineering Solutions \$'000	Elimination \$'000	Total \$'000
<b>2025</b>					
Revenue	50,631	22,032	34,281	(17,747)	89,197
Cost of sales	(40,534)	(18,074)	(29,515)	17,747	(70,376)
Gross profit	<u>10,097</u>	<u>3,958</u>	<u>4,766</u>		<u>18,821</u>
<b>2024</b>					
Revenue	51,814	20,470	46,808	(20,349)	98,743
Cost of sales	(42,869)	(16,752)	(40,864)	20,349	(80,136)
Gross profit	<u>8,945</u>	<u>3,718</u>	<u>5,944</u>		<u>18,607</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 38. Segment information (cont'd)

### Geographical information

Revenue information based on the geographical location of customers are disclosed in Note 25. Non-current assets information based on the geographical location assets are as follows:

	Group	
	2025	2024
	\$'000	\$'000
<b>Non-current assets</b>		
Singapore	33,210	34,154
Malaysia	304	300
People's Republic of China	5,096	5,594
Indonesia	3	12
Indo-China*	173	259
	38,786	40,319

\* Refers to Vietnam, Myanmar and Cambodia.

Non-current assets information presented above consist of fixed assets, intangible assets, right-of-use assets and land use rights as presented in the consolidated balance sheet.

### Information about a major customer

Revenue from one major customer amounted to \$12,094,168 (2024: \$16,163,738), arising from engineering contracts revenue in engineering solutions segment.

## 39. Dividends

	Group and Company	
	2025	2024
	\$'000	\$'000
<b>Declared and paid during the financial year:</b>		
<i>Dividends on ordinary shares:</i>		
- Final exempt (one-tier) dividend for 2024: 0.18 cents (2023: Nil) per share	201	-
<b>Proposed but not recognised as a liability as at 31 December:</b>		
Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:		
- Final exempt (one-tier) dividend for 2025: 0.18 cents (2024: 0.18 cents) per share	201	201

## 40. Authorisation of financial statements

The financial statements for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 2 April 2026.

# STATISTICS OF SHAREHOLDINGS

As at 20 March 2026

## SHARE CAPITAL

Issued and fully paid-up capital	:	\$19,679,831
Total number of issued shares	:	111,462,000
Number of treasury shares	:	Nil
Number of subsidiary holdings	:	Nil
Class of shares	:	Ordinary shares
Voting right	:	1 vote for each ordinary share

## DISTRIBUTION OF SHAREHOLDINGS

(As recorded in the Register of Members and Depository Register)

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	56	21.37	691	0.00
100 - 1,000	35	13.36	20,239	0.02
1,001 - 10,000	54	20.61	289,120	0.26
10,001 - 1,000,000	105	40.08	12,169,300	10.92
1,000,001 AND ABOVE	12	4.58	98,982,650	88.80
<b>TOTAL</b>	<b>262</b>	<b>100.00</b>	<b>111,462,000</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

(As recorded in the Register of Members and Depository Register)

NO.	NAME	NO. OF SHARES	%
1	UOB KAY HIAN PRIVATE LIMITED	64,821,300	58.16
2	LENG CHEE KEONG	7,439,800	6.67
3	CHEUNG WAI SUM	6,300,000	5.65
4	LIM CHYE HUAT @ BOBBY LIM CHYE HUAT	5,040,700	4.52
5	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,043,900	2.73
6	LIM BOON HOCK BERNARD	3,000,000	2.69
7	PHILLIP SECURITIES PTE LTD	2,357,450	2.12
8	ESTATE OF CHUA KENG LOY, DECEASED	1,689,100	1.52
9	QUEK POH CHUAN	1,491,000	1.34
10	LEE SUI FOOK OR LEE YEN SIN	1,351,000	1.21
11	ESTATE OF LOH AH PENG @ LOH EE MING, DECEASED	1,260,500	1.13
12	OCBC SECURITIES PRIVATE LIMITED	1,187,900	1.07
13	YAP KOK KIONG	807,600	0.72
14	DBS NOMINEES (PRIVATE) LIMITED	784,711	0.70
15	ESTATE OF NG TAT KEONG, DECEASED	711,600	0.64
16	WARD ALLAN	705,000	0.63
17	FUCO RUDYANTO CHANDRA	600,000	0.54
18	LEE WEN-CHANG	600,000	0.54
19	LIM KENG ANN	499,800	0.45
20	NG SOON HOCK (HUANG SHUNFU)	483,000	0.43
	<b>TOTAL</b>	<b>104,174,361</b>	<b>93.46</b>

# STATISTICS OF SHAREHOLDINGS

As at 20 March 2026

## Substantial Shareholders

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Loh Mun Yew <sup>(1)(2)</sup>	3,042,900	2.73	65,115,500	58.42
Leng Chee Keong	7,439,800	6.67	–	–
Loh Pui Lai <sup>(3)</sup>	220,000	0.20	6,300,000	5.65
Universal Pte. Ltd. <sup>(2)</sup>	63,855,000	57.29	–	–
Cheung Wai Sum <sup>(3)</sup>	6,300,000	5.65	–	–

### Notes:

- (1) Loh Mun Yew's (the CEO and Executive Chairman of the Company) shares in the Company are held through a nominee, United Overseas Bank Nominees Pte Ltd. He is deemed to have an interest in the 63,855,000 shares held by Universal Pte. Ltd. by virtue of Section 7 of the Companies Act 1967 and the 1,260,500 shares held by the Estate of Loh Ah Peng @ Loh Ee Ming arising from his capacity as executor of his late father's will, by virtue of Section 7 of the Companies Act 1967.
- (2) Universal Pte. Ltd. is an investment holding company incorporated in Singapore and its 63,855,000 shares in the Company are held through a nominee, UOB Kay Hian Private Limited. The shareholders are Loh Mun Yew, Loh Pui Lai (Loh Mun Yew and Loh Pui Lai are siblings and Loh Pui Lai is the spouse of Cheung Wai Sum), Lum Soo Mooi (parent of Loh Mun Yew and Loh Pui Lai) and Loh Pui Pui (daughter of Lum Soo Mooi, and sibling of Loh Mun Yew and Loh Pui Lai) with shareholding interest of 43.69%, 18.82%, 18.47% and 19.02%, respectively. The directors of Universal Pte. Ltd. are Loh Mun Yew, Loh Pui Pui and Lum Soo Mooi.
- (3) Loh Pui Lai's (the Vice-President (China) and Executive Director of the Company) shares in the Company are held through a nominee, Phillip Securities Pte Ltd. She is deemed to have an interest in the 6,300,000 shares held by her spouse, Cheung Wai Sum, by virtue of Section 164(15)(a) of the Companies Act 1967.

## SHAREHOLDINGS HELD IN THE HANDS OF PUBLIC

Based on the information available to the Company as at 20 March 2026, approximately 24.02% of the issued ordinary shares of the Company are held by the public and therefore Rule 723 of the Listing Manual Section B: Rules of Catalyst of the Singapore Exchange Securities Trading Limited is complied with.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (“**AGM**”) of FAR EAST GROUP LIMITED (the “**Company**”) will be convened and held at 51 Ubi Avenue 3, Singapore 408858 on Tuesday, 28 April 2026 at 11:00 a.m., for the following purposes:

## AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2025 together with the Independent Auditor’s Report thereon. **(Resolution 1)**
2. To declare a final (tax exempt one-tier) dividend of 0.18 cents per ordinary share for the financial year ended 31 December 2025 (2024: Final (tax exempt one-tier) dividend of 0.18 cents per ordinary share). **(Resolution 2)**
3. To approve the payment of Directors’ fees of \$152,000 for the financial year ending 31 December 2026, payable half-yearly in arrears (2025: \$152,000). **(Resolution 3)**
4. To re-elect Mr Loh Mun Yew, a Director retiring pursuant to Regulation 104 of the Company’s Constitution. (see explanatory note 1) **(Resolution 4)**
5. To re-elect Mr Ho Boon Chuan Wilson, a Director retiring pursuant to Regulation 104 of the Company’s Constitution. (see explanatory note 2) **(Resolution 5)**
6. To re-appoint Ernst & Young LLP as auditor of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

## AS SPECIAL BUSINESS

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

### 7. Authority to allot and issue Shares

That pursuant to Section 161 of the Companies Act 1967 (“**Companies Act**”) and Rule 806 of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Directors be authorised and empowered to: **(Resolution 7)**

- (a)
  - (i) allot and issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
  - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

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

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

# NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution does not exceed 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 (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a *pro rata* basis to shareholders of the Company does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
  - (a) new Shares arising from the conversion or exercise of convertible securities;
  - (b) new Shares arising from exercising share options or vesting of share awards, provided the options or awards 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 (2)(a) and (2)(b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), the Companies Act and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in a general meeting) the authority conferred by this Resolution shall continue in force until the conclusion 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, whichever is earlier.

(see explanatory note 3)

# NOTICE OF ANNUAL GENERAL MEETING

## 8. Renewal of Share Buyback Mandate

(Resolution 8)

That for the purposes of Sections 76C and 76E of the Companies Act, the Directors be authorised to exercise all powers of the Company to buy back Shares from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) from time to time of up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) ascertained as at the time of passing of this Resolution, at the price of up to but not exceeding the Maximum Price as set out in the following Appendix to Shareholders and this mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the date that the next AGM of the Company is held or is required by law to be held or the date when purchases and acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated, whichever is the earlier.

In this Resolution:

“**Maximum Price**” in relation to a Share to be purchased, means an amount (excluding applicable brokerage, stamp duties, commission, goods and services tax and other related expenses) not exceeding:

- (i) in the case of a market purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (ii) in the case of an off-market purchase pursuant to an equal access scheme, 120% of the Highest Last Dealt Price (as defined hereinafter),

where:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) market days on which transactions in the Shares were recorded, immediately preceding the day of the market purchase and deemed to be adjusted for any corporate action that occurs during the relevant five (5) market days and the day of the market purchase;

“**Highest Last Dealt Price**” means the highest price transacted for a Share as recorded on the market day on which there were trades in the Shares, immediately preceding 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 after the relevant market day;

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price for an off-market purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase; and

“**market day**” means a day on which the SGX-ST is open for trading in securities.

(see explanatory note 4)

9. To transact any other business that may be properly transacted at an AGM.

BY ORDER OF THE BOARD

Wee Woon Hong  
Francis Lai Kum Wai  
Company Secretaries

13 April 2026  
Singapore

# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes:

1. Mr Loh Mun Yew will, upon re-election as a Director, remain the Chief Executive Officer and Executive Chairman, as well as a member of the Board Sustainability Committee of the Company. Please refer to the section entitled "Information on Directors Seeking Re-election" in the Corporate Governance Report of the Annual Report of the Company for the detailed information required pursuant to Rule 720(5) of the Catalist Rules.
2. Mr Ho Boon Chuan Wilson will, upon re-election as a Director, remain the Lead Independent Director, Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee of the Company. He is considered independent for the purposes of Rule 704(7) of the Catalist Rules. Please refer to the section entitled "Information on Directors Seeking Re-election" in the Corporate Governance Report of the Annual Report of the Company for the detailed information required pursuant to Rule 720(5) of the Catalist Rules.
3. Resolution 7 proposed in item 7 above, if passed, will empower the Directors, effective until the conclusion 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 earliest, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to 50% may be issued other than on a *pro rata* basis to shareholders of the Company.
4. Resolution 8 proposed in item 8 above, if passed, will empower the Directors of the Company, from the date of the AGM until the date on which the next AGM is to be held or is required by law to be held, the date on which the Share buyback is carried out to the full extent mandated, or the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Company in a general meeting, whichever is the earliest, to make purchases (whether by way of market purchases or off-market purchases on an equal access scheme) from time to time of up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate are set out in greater detail in the Appendix accompanying this notice.

## Notes:

1. Members of the Company are invited to **physically attend** the AGM. There will be no option for members of the Company to participate virtually. Printed copies of the Notice of AGM, Request Form and Proxy Form will be dispatched to members. These documents together with the Company's Annual Report 2025 are available on the Company's website (<https://www.fareastgroup.com.sg/>) and SGXNet (<https://www.sgx.com/securities/company-announcements>).
2. Members may request a printed copy of the Company's Annual Report 2025 by completing and returning the Request Form which is despatched to them in the following manner:
  - (a) by post to the registered office of Company at 51 Ubi Avenue 3, Singapore 408858; or
  - (b) by email to [FEGAGM@fareastref.com.sg](mailto:FEGAGM@fareastref.com.sg)in either case, the Request Form must be submitted to the Company by 20 April 2026.

## Submission of Questions

1. Members (including CPF and SRS members) may submit questions relating to the items on the resolutions set out in the Notice of AGM in advance of the AGM in the following manner:
  - (a) by post to the Company's appointed polling agent, Boardroom Corporate & Advisory Services Pte Ltd, at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
  - (b) by email to [FEGAGM@fareastref.com.sg](mailto:FEGAGM@fareastref.com.sg).

All questions submitted in advance of the AGM must be received **by 11:00 a.m. on 20 April 2026**.

Members (including CPF and SRS members) who wish to submit their questions by post or by email are required to indicate their full name (for individuals)/company name (for corporates), NRIC/passport number/company registration number, contact number, shareholding type and number of shares held together with their submission of questions, to the office address or email address provided. Persons who hold Shares through Relevant Intermediaries (as defined in Section 181 of the Companies Act), other than CPF and SRS Investors, should contact their respective Relevant Intermediaries through which they hold such Shares to submit their questions related to the resolutions to be tabled for approval at the AGM based on the abovementioned instructions.

# NOTICE OF ANNUAL GENERAL MEETING

2. The Company will endeavour to address all substantial and relevant questions received from members prior to the AGM by publishing their responses posted on the SGXNet and the Company's website by 11:00 a.m. on 23 April 2026. 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 11:00 a.m. on 20 April 2026, the Company will address them during the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.
3. The minutes of the AGM will be published on the SGXNet and the Company's website within one (1) month after the date of the AGM, and the minutes of the AGM will include the responses to substantial and relevant questions from members which are addressed during the AGM.

## Voting

1. Members who wish to exercise their voting rights at the AGM may (where such members are individuals or corporates) appoint the Chairman of the AGM as their proxy to vote on their behalf at the AGM.
2. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member's Proxy Form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form. If the proportion of his shareholding is not specified, the first named proxy shall be deemed to represent 100% of his shareholding and the second named proxy shall be deemed to be an alternate to the first named.

A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member's Proxy Form appoints more than one (1) proxy, the number of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form. If the proportion of shareholding is not specified, the first named proxy shall be deemed to represent 100% of shareholding and the second named proxy shall be deemed to be an alternate to the first named.

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

3. Members who wish to exercise their voting rights via proxy or proxies may submit a Proxy Form to cast their votes on their behalf, a copy of the Proxy Form has been despatched to the members by post. The Proxy Form together with the Company's Annual Report 2025 are available on the Company's website (<https://www.fareastgroup.com.sg/>) and SGXNet (<https://www.sgx.com/securities/company-announcements>).
4. A proxy need not be a member of the Company.
5. In appointing a proxy, if no specific directions as to voting is given by a member, the proxy/proxies (except where the Chairman of the AGM is appointed as the member's proxy) will vote or abstain from voting at his/her/their discretion on any matter arising at the AGM and at any adjournment thereof. In the absence of specific direction as to the voting is given by a member, the appointment of the Chairman of the AGM as the member's proxy for the relevant resolutions will be treated as invalid.
6. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised before submission in the following manner:
  - (a) by post to the Company's appointed polling agent, Boardroom Corporate & Advisory Services Pte Ltd, at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
  - (b) by email to [proxyform@fareastref.com.sg](mailto:proxyform@fareastref.com.sg),

in each case, it must be received **by 11:00 a.m. on 25 April 2026** (being not less than 72 hours before the time appointed for holding the AGM).

7. Persons who hold Shares through Relevant Intermediaries (as defined in Section 181 of the Companies Act), including CPF and SRS Investors who wish to exercise their voting rights may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective Relevant Intermediaries (including CPF agent banks and SRS operators) to submit their voting instructions at least seven (7) working days before the AGM (i.e. by 11:00 a.m. on 16 April 2026), in order to allow sufficient time to in turn submit a Proxy Form to vote on their behalf by 11:00 a.m. on 25 April 2026.
8. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form (such as in the case where the appointor submits more than one Proxy Form). If no specific direction as to voting is given in respect of a resolution, the appointed proxy/proxies will vote or abstain from voting at his/her/their discretion.

In addition, in the case of Shares entered in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), the Company may reject a Proxy Form if the members, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM as certified by CDP to the Company.

# NOTICE OF ANNUAL GENERAL MEETING

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

## Personal Data Privacy:

By (a) submitting a form appointing a proxy/proxies (including the Chairman of the AGM) to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting any question prior to the AGM in accordance with this notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of the appointment of the proxy/proxies for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);
- (ii) addressing relevant and substantial questions from members received before and during the AGM and if necessary, following up with the relevant members in relation to such questions; and
- (iii) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

The member's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

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

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

# APPENDIX

APPENDIX DATED 13 APRIL 2026

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the contents herein or as to any action you should take, you should consult your broker, bank manager, accountant, solicitor, tax adviser or other professional adviser immediately.

This Appendix is circulated to the Shareholders (as defined herein) of Far East Group Limited (the “**Company**”) together with the Company’s annual report for the financial year ended 31 December 2025 (the “**Annual Report**”). Its purpose is to explain to Shareholders the rationale and provide information relating to, and to seek Shareholders’ approval for, the Proposed Renewal of the Share Buyback Mandate (as defined herein) to be tabled at the 2026 AGM (as defined herein) of the Company to be held at 51 Ubi Avenue 3 Singapore 408858 on Tuesday, 28 April 2026 at 11.00 a.m..

The Notice of AGM (as defined herein) and Proxy Form (as defined herein) are enclosed with the Annual Report.

If you have sold or transferred all your issued and fully paid ordinary shares in the capital of the Company held through The Central Depository (Pte) Limited (the “**CDP**”), you need not forward this Appendix to the purchaser or transferee as arrangements will be made by the CDP for a separate Appendix with the Notice of AGM and the accompanying Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your issued and fully paid ordinary shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Appendix, together with the Annual Report, the Notice of AGM and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or 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**”). This Appendix has not been examined or approved by Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and the SGX-ST 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 Audrey Mok (Tel: (65) 6232 3210) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.*



Far East Group Limited

(Company Registration No.: 196400096C)  
(Incorporated in the Republic of Singapore)

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

## DEFINITIONS

In this Appendix, the following definitions apply throughout, except where the context otherwise requires, or unless otherwise stated:

- “2025 Mandate”** : Has the meaning ascribed to it in Section 2.1 of this Appendix
- “2026 AGM”** : The AGM to be held on 28 April 2026 at 11.00 a.m., notice of which is set out in the Notice of AGM
- “AGM”** : The annual general meeting of the Company
- “Annual Report”** : The annual report of the Company for the financial year ended 31 December 2025 (“FY2025”)
- “Appendix”** : This Appendix to Shareholders dated 13 April 2026 in respect of the Proposed Renewal of the Share Buyback Mandate
- “Approval Date”** : Has the meaning ascribed to it in Section 3.1 of this Appendix
- “Associate”** : (a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his Immediate Family;
  - (ii) the trustee of any trust of which he or his Immediate Family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his Immediate Family together (directly or indirectly) have an interest of 30% or more; and
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more,
- or such other definition as the Catalist Rules may from time to time prescribe
- “Average Closing Price”** : Has the meaning ascribed to it in Section 3.4 of this Appendix
- “Board”** : The board of Directors of the Company for the time being
- “Catalist”** : The Catalist Board of the SGX-ST
- “Catalist Rules”** : The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
- “CDP”** : The Central Depository (Pte) Limited
- “Companies Act”** : The Companies Act 1967 of Singapore, as may be amended, modified or supplemented from time to time
- “Company”** : Far East Group Limited, a company incorporated in the Republic of Singapore on 18 March 1964

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<b>“Constitution”</b>	: The Constitution of the Company, as amended, modified or supplemented from time to time
<b>“control”</b>	: The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
<b>“Controlling Shareholder”</b>	: A person who (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares (excluding treasury shares) in the Company (notwithstanding, the SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder); or (b) in fact exercises control over the Company, or such other definition as the Catalist Rules may from time to time prescribe
<b>“Directors”</b>	: The directors of the Company for the time being
<b>“EPS”</b>	: Earnings per Share
<b>“FY”</b>	: Financial year ended or ending, as the case may be, 31 December
<b>“Group”</b>	: The Company and its subsidiaries, collectively
<b>“Highest Last Dealt Price”</b>	: Has the meaning ascribed to it in Section 3.4 of this Appendix
<b>“Immediate Family”</b>	: A person’s spouse, child, adopted child, step-child, sibling and parent, or such other definition as the Catalist Rules may from time to time prescribe
<b>“Latest Practicable Date”</b>	: 20 March 2026, being the latest practicable date prior to the issue of this Appendix
<b>“Market Day”</b>	: A day on which the SGX-ST is open for trading of securities
<b>“Market Purchases”</b>	: Has the meaning ascribed to it in Section 3.3(a) of this Appendix
<b>“Maximum Price”</b>	: Has the meaning ascribed to it in Section 3.4 of this Appendix
<b>“NAV”</b>	: Net asset value
<b>“Notice of AGM”</b>	: The notice of AGM as set out on pages 130 to 135 of the Annual Report
<b>“Off-Market Purchases”</b>	: Has the meaning ascribed to it in Section 3.3(b) of this Appendix
<b>“Proposed Renewal of the Share Buyback Mandate”</b>	: The proposed renewal of the Share Buyback Mandate at the 2026 AGM
<b>“Proxy Form”</b>	: The proxy form in respect of the 2026 AGM as set out on the last 2 pages of the Annual Report
<b>“Registrar”</b>	: The Registrar of Companies appointed under the Companies Act and includes any Deputy or Assistant Registrar of Companies
<b>“Related Expenses”</b>	: Has the meaning ascribed to it in Section 3.4 of this Appendix
<b>“Relevant Period”</b>	: The period commencing from the date on which the resolution relating to the Share Buyback Mandate is passed in a general meeting and expiring on the earliest of (a) the date the next AGM is or is 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 the Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting

<b>“Securities Account”</b>	:	The securities account maintained by a Depositor with the CDP but does not include a securities sub-account maintained with a Depository Agent
<b>“SFA”</b>	:	The Securities and Futures Act 2001 of Singapore, as may be amended, modified or supplemented from time to time
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Share Buyback”</b>	:	The purchase or acquisition by the Company of its own Shares pursuant to the terms of the Share Buyback Mandate
<b>“Share Buyback Mandate”</b>	:	A general mandate given by Shareholders to authorise the Directors to purchase or otherwise acquire, on behalf of the Company, Shares in accordance with the terms set out in this Appendix as well as the rules and regulations set forth in the Companies Act and the Catalist Rules
<b>“Shareholders”</b>	:	Registered holders of Shares, except where the registered holder is the CDP, the term <b>“Shareholders”</b> shall, in relation to such Shares, mean the Depositors whose Securities Accounts maintained with CDP are credited with Shares
<b>“Shares”</b>	:	Ordinary shares in the share capital of the Company
<b>“Sponsor”</b>	:	SAC Capital Private Limited
<b>“Substantial Shareholder”</b>	:	A person who has an interest in one or more voting Shares (excluding treasury shares) of the Company and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares (excluding treasury shares) in the Company
<b>“Take-over Code”</b>	:	The Singapore Code on Take-overs and Mergers, as may be amended, modified or supplemented from time to time
<b>“treasury shares”</b>	:	Has the meaning ascribed to it under Section 4 of the Companies Act
<b>“S\$” and “Cents”</b>	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
<b>“%”</b>	:	Per centum or percentage

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them, respectively, in Section 81SF of the SFA.

The term **“subsidiary”** shall have the meaning ascribed to it in Section 5 of the Companies Act. The term **“subsidiary holdings”** means shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine shall, where applicable, include the feminine and neuter gender and vice versa. References to persons shall, where applicable, include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Catalist Rules, the Take-over Code or any statutory modification thereof and used in this Appendix shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA, the Catalist Rules, the Take-over Code or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of a day and date in this Appendix shall be a reference to Singapore time and date, respectively, unless otherwise stated.

Any discrepancy in the figures included in this Appendix between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

# APPENDIX

## 1. INTRODUCTION

The Directors propose to seek the approval of Shareholders at the 2026 AGM for the Proposed Renewal of the Share Buyback Mandate.

The purpose of this Appendix is to provide Shareholders with the relevant information relating to, and to explain the rationale for, the Proposed Renewal of the Share Buyback Mandate.

**Shareholders are advised that the SGX-ST 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.**

## 2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

### 2.1. Background

Under the Companies Act, a company may purchase or otherwise acquire its own shares, stocks and/or preference shares if it is expressly permitted to do so by its Constitution. Regulation 15(1) of the Constitution expressly permits the Company to, *inter alia*, purchase or otherwise acquire any of its issued Shares. It is a requirement under the Companies Act that a company which wishes to purchase or otherwise acquire its own shares should obtain approval from its shareholders to do so at a general meeting of its shareholders. In this regard, Shareholders had approved the renewal of the Share Buyback Mandate at the AGM held on 25 April 2025 (the “**2025 Mandate**”). The 2025 Mandate will be expiring on 28 April 2026, being the date of the 2026 AGM.

Accordingly, approval is being sought from Shareholders for the Proposed Renewal of the Share Buyback Mandate. Upon Shareholders’ approval, the Proposed Renewal of the Share Buyback Mandate, will authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares under the Share Buyback Mandate from the Approval Date until the date when the next AGM is held, or is required by law to be held, whichever is the earlier, whereupon it will lapse, unless it is renewed at such meeting. The authority may be revoked or varied in any general meeting of the Company held prior to the date when the next AGM is held or is required by law to be held.

### 2.2. Rationale

The Directors constantly seek to increase Shareholder’s value and to improve, *inter alia*, the return on equity of 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. Share Buybacks provide the Company with a mechanism to facilitate the return to Shareholders of surplus cash/funds over and above its ordinary capital requirements, and in excess of the financial and possible investment needs of the Company, in an expedient, effective and cost-efficient manner.

The Proposed Renewal of the Share Buyback Mandate will provide the Directors with greater flexibility over, *inter alia*, the Company’s share capital structure with a view to enhancing the earnings and/or NAV per Share or to maintain a pool of Shares to be deployed for future purposes as deemed appropriate by the Directors. 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 Shareholders’ confidence.

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the 10% limit described in Section 3.1 below during the period referred to in Section 3.2 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full 10% limit as authorised and may be made only as and when the Directors consider it to be in the best interests of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST. The Directors will use their best endeavours to ensure that after a purchase or acquisition of Shares pursuant to the Share Buyback Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

### 3. AUTHORITY AND LIMITS OF THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buyback Mandate are summarised below:

#### 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 which may be purchased or acquired pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares of the Company as at the date of the AGM at which the Proposed Renewal of the Share Buyback Mandate is approved (the “**Approval Date**”), unless the Company has, at any time during the Relevant Period, reduced its share capital by a special resolution under Section 78C of the Companies Act, or the court has, at any time during the Relevant Period, made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event the total number of Shares shall be taken to be the total number of Shares as altered by the special resolution of the Company or the order of the court, as the case may be. Any Shares which are held as treasury shares and subsidiary holdings will be disregarded for purposes of computing the 10% limit.

**For illustrative purposes only**, based on the existing 111,462,000 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the 2026 AGM, not more than 11,146,200 Shares (representing 10% of the issued ordinary share capital of the Company as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate during the period referred to in Section 3.2 below. There are no treasury shares or subsidiary holdings as at the Latest Practicable Date.

#### 3.2. Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, 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 conferred by the Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting.

The Share Buyback Mandate may be renewed at each AGM or other general meetings of the Company.

#### 3.3. Manner of Purchase or Acquisition of Shares

Purchases or acquisitions of Shares may be made by way of, amongst others:

- (a) on-market purchases (“**Market Purchases**”), transacted on the SGX-ST through the SGX-ST’s trading system or through one or more duly licensed stockbrokers appointed by the Company for the purpose of the Share Buyback; and/or
- (b) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions of the Companies Act and the Catalist Rules (“**Off-Market Purchases**”).

The Directors may impose such terms and conditions which are consistent 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. An Off-Market Purchase must, however, satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and

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- (iii) the terms of all the offers shall be the same, except that there shall be disregarded, where applicable: (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; (2) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid (if applicable); and (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Pursuant to the Catalist Rules, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document to all Shareholders containing at least the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the purchase or acquisition of Shares;
- (4) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (6) details of any purchases or acquisitions of Shares made by the Company in the previous twelve (12) months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions; and
- (7) whether the Shares purchased or acquired by the Company will be cancelled or kept as treasury shares.

### 3.4. Maximum Purchase Price

The purchase price (excluding applicable brokerage, stamp duties, commission, goods and services tax and other related expenses (“**Related Expenses**”)) to be paid for a Share will be determined by the Directors. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

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

(the “**Maximum Price**”) in either case, excluding Related Expenses.

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase and deemed to be adjusted for any corporate action that occurs during the relevant five (5) Market Days and the day of the Market Purchase;

“**Highest Last Dealt Price**” means the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares, immediately preceding 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 after the relevant Market Day; 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 or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

#### 4. STATUS OF THE PURCHASED OR ACQUIRED SHARES

The Shares purchased or acquired by the Company may be cancelled or kept as treasury shares.

##### 4.1. Cancellation

Any Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

Any Shares purchased or acquired by the Company and cancelled will be automatically delisted by the SGX-ST. Certificates in respect of purchased or acquired Shares that are cancelled by the Company will be cancelled by the Company as soon as reasonably practicable following settlement of any purchase or acquisition of such Shares.

At the time of each purchase or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased or acquired 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.

##### 4.2. Treasury Shares

Under the Companies Act, Shares purchased or acquired 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:

(a) Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares. Any Shares in excess of the 10% 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 Registrar may allow.

(b) Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares and any purported exercise of such right is void. 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 of the Company's assets may be made, to the Company in respect of 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 share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time (but subject always to the Take-over Code):

- (i) sell the treasury shares (or any of them) for cash;
- (ii) transfer the treasury shares (or any of them) for the purposes of or pursuant to an employees' share scheme;
- (iii) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares (or any of them); or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

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Under the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the “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 and 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.

## 5. REPORTING REQUIREMENTS

Within thirty (30) days of the passing of a Shareholders’ resolution to approve the Proposed Renewal of the Share Buyback Mandate by the Company, the Company shall lodge a copy of such resolution with the Registrar.

The Company shall notify the Registrar within thirty (30) days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include, *inter alia*, the date of the purchase or acquisition, the number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company’s issued ordinary share capital before and after the purchase or acquisition of Shares, and the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased out of profits or capital of the Company and such other particulars as may be required in the prescribed form.

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

## 6. SOURCE OF FUNDS FOR THE SHARE BUYBACK

The Companies Act permits the Company to purchase or acquire its own Shares out of capital or profits so long as the Company is solvent. Payments could be made from capital or profits so long as the Company is solvent (as defined in Section 76F(4) of the Companies Act).

In the event the Shares which are purchased or acquired by the Company are cancelled immediately on purchase or acquisition (as opposed to being held as treasury shares to the extent permitted under the Companies Act), the Company shall:

- (a) reduce the amount of its share capital where the Shares were purchased or acquired out of capital of the Company;
- (b) reduce the amount of profits where the Shares were purchased or acquired out of the profits of the Company; or
- (c) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both capital and profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled.

The Company will use internal resources or external borrowings or a combination of both to fund purchases or acquisitions of Shares pursuant to the Proposed Renewal of the Share Buyback Mandate. In considering the use of external funding, the Company will take into consideration the availability of external financing and the resulting impact on the prevailing gearing level of the Company and the Group. The Company will only exercise the Share Buyback Mandate in the interest of the Company and the Group without causing adverse financial impact to the Company and the Group. In particular, the Company will have regard to any relevant financial covenants which are applicable to the Company and/or the Group under any agreements for banking and credit facilities which may be granted by a financial institution to the Company and/or the Group from time to time. The Company will not effect any Share Buyback if such purchases or acquisitions would result in any breaches of the relevant financial covenants. The Company will also not propose to exercise the Share Buyback Mandate in such a manner and to such an extent that the liquidity and capital adequacy position of the Company and the Group would be materially adversely affected.

## 7. FINANCIAL EFFECTS OF THE SHARE BUYBACK MANDATE

The actual impact on the financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buyback Mandate will depend on, *inter alia*, the exact number of Shares purchased or acquired, the purchase price paid at the relevant time of purchase, how the purchase or acquisition is funded, whether the Shares are purchased or acquired out of profits and/or capital of the Company or the Group, whether the Shares purchased or acquired are held in treasury or immediately cancelled on purchase or acquisition as well as how the Shares held in treasury are subsequently dealt with by the Company in accordance with Section 76K of the Companies Act.

### 7.1. Purchase or Acquisition out of Capital or Profits

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (after deducting the Related Expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount of distributable profits available for cash dividends by the Company will not be reduced.

### 7.2. Number of Shares Acquired or Purchased

Based on 111,462,000 Shares in issue as at the Latest Practicable Date, and assuming no further Shares are issued and no Shares are held by the Company as treasury shares on or prior to the 2026 AGM, the exercise in full of the Share Buyback Mandate will result in the purchase or acquisition of 11,146,200 Shares, representing 10% of the total issued share capital of the Company, excluding Treasury shares and subsidiary holdings.

### 7.3. Maximum Price to be Paid for the Share Buybacks

**For illustrative purposes only:**

- (a) In the case of a Market Purchase by the Company and assuming that the Company purchases or acquires the 11,146,200 Shares at the Maximum Price of S\$0.116 (rounded to three (3) decimal places) for one (1) Share (being 105% of the Average Closing Price of a Share on and immediately preceding the Latest Practicable Date), the maximum amount of funds required is approximately S\$1,293,000 (excluding Related Expenses).
- (b) In the case of an Off-Market Purchase by the Company and assuming that the Company purchases or acquires the 11,146,200 Shares at the Maximum Price of S\$0.130 (rounded to three (3) decimal places) for one (1) Share (being 120% of the Highest Last Dealt Price of a Share on the Latest Practicable Date), the maximum amount of funds required is approximately S\$1,449,000 (excluding Related Expenses).

### 7.4. Illustrative Financial Effects

**For illustrative purposes only**, the financial effects of the Share Buyback Mandate on the Company and the Group, based on the audited financial statements of the Company and the Group for the financial year ended 31 December 2025 and are based on the following assumptions:

- (a) the purchase or acquisition of Shares took place at the beginning of the financial year on 1 January 2025;
- (b) the purchase or acquisition of Shares was financed by internal sources of funds of the Company; and
- (c) the Relevant Expenses incurred for the purchase or acquisition of Shares pursuant to the Share Buyback Mandate were insignificant and have been ignored for the purpose of computing the financial effects.

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## Purchases or acquisitions made out of capital or profits and: (A) Cancelled; and (B) Held as treasury shares:

	GROUP				
	Market Purchase		Off-Market Purchase		
	(A)	(B)	(A)	(B)	
Audited before buyback	After buyback and cancelled	After buyback and held as treasury shares	After buyback and cancelled	After buyback and held as treasury shares	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>As at 31 December 2025</b>					
Profit attributable to Shareholders	2,234	2,234	2,234	2,234	2,234
Total shareholders' equity <sup>(1)</sup>	47,856	46,563	46,563	46,407	46,407
Current assets	56,240	54,947	54,947	54,791	54,791
Current liabilities	42,330	42,330	42,330	42,330	42,330
Working capital	13,910	12,617	12,617	12,461	12,461
Total borrowings	27,778	27,778	27,778	27,778	27,778
Number of issued Shares (exclude treasury shares) ('000)	111,462	100,316	100,316	100,316	100,316
Number of treasury shares ('000)	–	–	11,146	–	11,146
Weighted average number of Shares ('000)	111,462	100,316	100,316	100,316	100,316
<b>Financial Ratios</b>					
EPS (cents) <sup>(2)</sup>	2.00	2.23	2.23	2.23	2.23
NAV per Share (cents) <sup>(3)</sup>	42.93	46.42	46.42	46.26	46.26
Gearing ratio (times) <sup>(4)</sup>	0.37	0.37	0.37	0.37	0.37
Current ratio (times) <sup>(5)</sup>	1.33	1.30	1.30	1.29	1.29

### Notes:

- (1) Total shareholders' equity does not include non-controlling interests.
- (2) EPS represents the ratio of profit attributable to Shareholders to the weighted average number of Shares.
- (3) NAV per Share represents the ratio of total shareholders' equity to the number of issued Shares (exclude treasury shares).
- (4) Gearing ratio represents the ratio of total borrowings to total shareholders' equity plus total borrowings.
- (5) Current ratio represents the ratio of current assets to current liabilities.

**Shareholders should note that the financial effects set out above are based on the abovementioned assumptions and are purely for illustrative purposes only. In particular, it is important to note that it is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions that may be made pursuant to the Share Buyback Mandate on the NAV per Share and EPS as the resultant effect would depend on the factors such as the aggregate number of Shares purchased, the purchase price paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions. Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the issued Shares. In addition, the Company may cancel all or part of the Shares purchased or hold all or part of the Shares purchased in treasury. The above analysis is based on historical figures for the financial year ended 31 December 2025 and is not necessary representative of the Company's or the Group's future financial performance.**

The Directors would emphasise that they do not propose to carry out purchases or acquisitions of Shares to such an

extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company or the Group, or results in the Company being delisted from the SGX-ST. The Company will take into account both financial and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of purchases or acquisitions of Shares before execution.

## 8. OBLIGATIONS UNDER THE TAKE-OVER CODE

Appendix 2 of the Take-over Code contains the Share Buyback Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

### 8.1. Obligation to Make a Take-Over Offer

Under Rule 14 of the Take-over Code, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory takeover offer if, *inter alia*, he and persons acting in concert with him increase their voting rights in the Company to 30% or more or, if they, together holding between 30% and 50% of the Company's voting rights, increase their voting rights in the Company by more than 1% in any period of six (6) months.

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

### 8.2. 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), cooperate, 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:

- (a) 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);
- (b) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, any company whose associated companies include any of the above companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above companies for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;
- (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 in respect of the investment account which such person manages on a discretionary basis;
- (e) a financial or other professional adviser, including a stockbroker, with its clients in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholding 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 them, which is subject to an offer where they have reason to believe a *bona fide* offer for their company may be imminent;
- (g) partners; and
- (h) an individual with his close relatives, his related trusts, and any person who is accustomed to act according to his

# APPENDIX

instructions and companies controlled by any of the above, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above persons and/or entities for the purchase of voting rights.

The circumstances under which Shareholders of the Company (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 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

## 8.3. Effect of Rule 14 and Appendix 2 of the Take-Over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months.

Under Appendix 2 of the Take-over Code, 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 in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Proposed Renewal of the Share Buyback Mandate.

However, Shareholders will be subject to the provisions of Rule 14 of the Take-over Code if they acquire Shares after the purchase or acquisition of Shares by the Company. For this purpose, an increase in the percentage of voting rights as a result of the purchase or acquisition of Shares by the Company will be taken into account in determining whether a Shareholder and persons acting in concert with him have increased their voting rights by more than 1% in any period of six (6) months.

Shareholders (including Directors) and their concert parties who hold more than 50% of the Company's voting rights are under no obligation to make a take-over offer if the voting rights of such Shareholders and their concert parties were to increase as a result of the Company purchasing or acquiring Shares.

**The statements in this Appendix do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a takeover offer under the Take-over Code would arise by reason of any purchases or acquisitions of Shares by the Company.**

## 8.4. Applicability of Rule 14 and Appendix 2 of the Take-Over Code

Based on the interests of the Directors and the Substantial Shareholders in the Shares as at the Latest Practicable Date as recorded in the Register of Directors' Shareholding and the Register of Substantial Shareholding as set out in Section 12 below, none of the Substantial Shareholders would become obliged to make a take-over offer under Rule 14 of the Take-over Code as a result of the purchase or acquisition by the Company of the maximum limit of 10% of its issued Shares.

## 9. OBLIGATIONS UNDER THE CATALIST RULES

### 9.1. Catalyst Rules

The Catalyst Rules specifies that a listed company shall announce all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m., (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition 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 (which must be in the form of Appendix 8D to the Catalyst Rules) currently requires the inclusion of details of, *inter alia*, the total number of shares purchased or acquired, the purchase price per share or the highest and lowest prices paid for such shares, as applicable,

the number of shares cancelled, the number of shares held as treasury shares, the number of shares purchased or acquired as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and the number of treasury shares held after the purchase or acquisition.

## 9.2. Suspension of Share Buyback

While the Catalist Rules does not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buyback Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in line with the best practices on securities dealings stipulated in the Catalist Rules, the Company will not deal in the Shares during the period commencing one (1) month before the announcement of the Company’s half-yearly and full year financial statements of its financial year, and ending on the date of announcement of the relevant results.

## 9.3. Listing Status on the SGX-ST

The Company does not have any individual shareholding limit or foreign shareholding limit. The Catalist Rules requires a listed company to ensure that at least 10% of the total number of issued shares (excluding preference shares, convertible equity securities, treasury shares and subsidiary holdings) in a class that is listed must be held by public Shareholders. Where such percentage falls below 10%, the SGX-ST may at any time suspend trading of the shares of the listed company. The term “public”, as defined under the Catalist Rules, are persons other than (i) the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholder of the Company and its subsidiaries; and (ii) Associates of the persons in (i).

As at the Latest Practicable Date, 26,770,800 issued Shares, representing approximately 24.02% of the issued Shares are held by public Shareholders. For illustrative purposes only, assuming the Company exercises the Share Buyback Mandate in full and purchases 10% of the issued ordinary share capital of the Company through Market Purchases from the public, the public float would be reduced to 15,624,600 issued Shares, representing approximately 15.58% of the issued ordinary share capital of the Company.

The Directors will use their best efforts to ensure that the Company does not effect a purchase or acquisition of Shares if the purchase or acquisition of Shares would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status of the Company. Before deciding to effect a purchase of Shares, the Directors will ensure that, notwithstanding such purchase, a sufficient float in the hands of the public will be maintained to provide for an orderly market for trading in the Shares.

## 10. TAX IMPLICATIONS

Shareholders who are in doubt as to their respective tax positions or the tax implications of a Share Buyback or who may be subject to tax, whether in or outside Singapore, should consult their own professional advisers.

## 11. PREVIOUS SHARE BUYBACKS

The Company has not made any Share Buybacks in the twelve (12) months preceding the Latest Practicable Date.

# APPENDIX

## 12. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Shares, based on the Register of Directors' Shareholding and the Register of Substantial Shareholding, respectively, are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
<b>Directors</b>				
Loh Mun Yew <sup>(a)(b)</sup>	3,042,900	2.73	65,115,500	58.42
Leng Chee Keong	7,439,800	6.67	–	–
Loh Pui Lai <sup>(a)(d)</sup>	220,000	0.20	6,300,000	5.65
Ho Boon Chuan Wilson	–	–	–	–
Linda Hoon Siew Kin	–	–	–	–
Tan Soon Liang	–	–	–	–
<b>Substantial Shareholders (other than Directors)</b>				
Universal Pte. Ltd. <sup>(c)</sup>	63,855,000	57.29	–	–
Cheung Wai Sum <sup>(a)(d)</sup>	6,300,000	5.65	–	–

### Notes:

- (a) Loh Mun Yew and Loh Pui Lai are siblings and Loh Pui Lai is the spouse of Cheung Wai Sum.
- (b) Loh Mun Yew's Shares in the Company are held through a nominee, United Overseas Bank Nominees Pte Ltd. He is deemed to have an interest in the 63,855,000 Shares, held by Universal Pte. Ltd. by virtue of Section 7 of the Companies Act, and the 1,260,500 Shares held by the Estate of Loh Ah Peng @ Loh Ee Ming arising from his capacity as executor of his late father's will, by virtue of Section 7 of the Companies Act.
- (c) Universal Pte. Ltd. is an investment holding company incorporated in Singapore and its 63,855,000 Shares in the Company are held through a nominee, UOB Kay Hian Private Limited. The shareholders are Loh Mun Yew, Loh Pui Lai, Lum Soo Mooi (parent of Loh Mun Yew and Loh Pui Lai) and Loh Pui Pui (daughter of Lum Soo Mooi, and sibling of Loh Mun Yew and Loh Pui Lai) with shareholding interest of 43.69%, 18.82%, 18.47% and 19.02%, respectively. The directors of Universal Pte. Ltd. are Loh Mun Yew, Loh Pui Pui and Lum Soo Mooi.
- (d) Loh Pui Lai's Shares in the Company are held through a nominee, Phillip Securities Pte Ltd. She is deemed to have an interest in the 6,300,000 Shares held by her spouse, Cheung Wai Sum, by virtue of Section 164(15)(a) of the Companies Act.

## 13. DIRECTORS' RECOMMENDATIONS

Having fully considered the rationale, the benefit and the information relating to the Proposed Renewal of the Share Buyback Mandate, the Directors are of the opinion that the Proposed Renewal of the Share Buyback Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of ordinary resolution in respect of the Proposed Renewal of the Share Buyback Mandate at the 2026 AGM.

## 14. ACTION TO BE TAKEN BY SHAREHOLDERS

### 14.1. Appointment of Proxies

If a Shareholder is unable to attend the 2026 AGM and wishes to appoint a proxy to attend and vote at the 2026 AGM on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 51 Ubi Avenue 3, Singapore 408858 not later than 25 April 2026 at 11.00 a.m.. The completion and return of the Proxy Form by a Shareholder does not preclude him from attending and voting at the 2026 AGM in person if he so wishes.

**14.2. When Depositor Regarded as Shareholder**

A Depositor shall not be regarded as a Shareholder entitled to attend the 2026 AGM and to vote thereof unless his name appears on the Depository Register at least seventy-two (72) hours before the 2026 AGM.

**15. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information contained 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 the Share Buyback Mandate, and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the 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 the Appendix in its proper form and context.

**16. DOCUMENTS FOR INSPECTION**

The following documents may be inspected at the registered office of the Company at 51 Ubi Avenue 3, Singapore 408858 during normal business hours from the date of this Appendix up to and including the date of the 2026 AGM:

- (a) the Annual Report of the Company for FY2025; and
- (b) the Constitution of the Company.

Yours faithfully,  
For and on behalf of the Board of Directors of  
**Far East Group Limited**

Loh Mun Yew  
Executive Chairman and Chief Executive Officer

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# FAR EAST GROUP LIMITED

(Registration Number 196400096C)  
(Incorporated in the Republic of Singapore)

## ANNUAL GENERAL MEETING

### PROXY FORM

#### IMPORTANT

- CPF and SRS investors may attend and vote at the AGM in person. CPF and SRS investors who are unable to attend the AGM but would like to vote, may approach their respective CPF agent banks and SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, such CPF and SRS Investors shall be precluded from attending the AGM.
- This Proxy Form is not valid for use by the CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
- Please read the notes to this Proxy Form.
- By submitting an instrument appointing proxy(ies) and/or representative(s), a shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 13 April 2026.

I/We\*, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport/Registration Number\*)  
of \_\_\_\_\_ (Address)

being a member/members\* of **FAR EAST GROUP LIMITED** (the “**Company**”) hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholding	
			Number of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholding	
			Number of Shares	%

or if no proxy is named, the Chairman of the Annual General Meeting (“**AGM**”) of the Company as my/our\* proxy/proxies\* to attend and vote for me/us\* on my/our\* behalf at the AGM of the Company to be held at 51 Ubi Avenue 3, Singapore 408858 on 28 April 2026 at 11:00 a.m. and at any adjournment thereof.

I/We\* direct my/our\* proxy/proxies\* to vote for, vote against or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies\* (other than the Chairman of the AGM) will vote or abstain from voting at his/their\* discretion, as he/they\* will on any other matter arising at the AGM and at any adjournment thereof. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as my/our\* proxy for that resolution will be treated as invalid.

NO.	RESOLUTIONS	FOR**	AGAINST**	ABSTAIN**
	<b>ORDINARY BUSINESS</b>			
1.	To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2025 together with the Independent Auditor's Report thereon			
2.	To declare a final (tax exempt one-tier) dividend of 0.18 cents per ordinary shares for the financial year ended 31 December 2025			
3.	To approve the payment of Directors' fees of \$152,000 for the financial year ending 31 December 2026, payable half-yearly in arrears			
4.	To re-elect Mr Loh Mun Yew as a Director of the Company			
5.	To re-elect Mr Ho Boon Chuan Wilson as a Director of the Company			
6.	To re-appoint Ernst & Young LLP as auditor of the Company and to authorise the Directors to fix their remuneration			
	<b>SPECIAL BUSINESS</b>			
7.	To authorise the Directors to allot and issue shares and convertible securities			
8.	To approve the renewal of Share Buyback Mandate			

\* Delete accordingly

\*\* If you wish to exercise all your votes “For”, “Against” or “Abstain”, please indicate with a tick [✓] within the boxes provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2026

Total number of Shares in	Number of Shares
(a) Depository Register	
(b) Register of Members	

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

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



## Notes:

1. If the member has shares entered against his name in the Depository Register, he should insert that number of shares. If the member has shares registered in his name in the Register of Members, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this Proxy Form will be deemed to relate to all the shares held by the member.
2. (a) A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member's Proxy Form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form. If the proportion of his shareholding is not specified, the first named proxy shall be deemed to represent 100% of his shareholding and the second named proxy shall be deemed to be an alternate to the first named; and  
  
(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's Proxy Form appoints more than one (1) proxy, the number of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form. If the proportion of shareholding is not specified, the first named proxy shall be deemed to represent 100% of shareholding and the second named proxy shall be deemed to be an alternate to the first named.

**"Relevant Intermediary"** shall have the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

3. A proxy need not be a member of the Company.
4. This Proxy Form, duly executed, must be submitted to the Company in the following manner:
  - (a) by post to the Company's appointed polling agent, Boardroom Corporate & Advisory Services Pte Ltd, at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
  - (b) via email to [proxyform@fareastref.com.sg](mailto:proxyform@fareastref.com.sg),in each case, **by 11:00 a.m. on 25 April 2026** (being not less than 72 hours before the time appointed for holding the AGM).
5. The appointment of a proxy or proxies does not preclude a member from attending and voting in person at the AGM. If a member attends the AGM in person, the appointment of a proxy or proxies shall be deemed to be revoked, and the Company reserves the right to terminate the proxy/proxies' access to the AGM proceedings.
6. This Proxy Form must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.
7. Where this Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this Proxy Form, failing which this Proxy Form may be treated as invalid.
8. A corporation which is a member may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM in accordance with Section 179 of the Companies Act 1967 of Singapore.
9. Persons who hold shares through Relevant Intermediaries (including CPF and SRS investors) and wish to exercise their voting rights may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective Relevant Intermediaries (including CPF agent banks and SRS operators) through which they hold such shares to submit their voting instructions at least seven (7) working days before the AGM (i.e. by 11:00 a.m. on 16 April 2026), in order to allow sufficient time for their respective relevant intermediaries to in turn submit this Proxy Form to vote on their behalf by 11:00 a.m. 25 April 2026.
10. The Company shall be entitled to reject this Proxy Form 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 this Proxy Form (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

## Personal Data Privacy:

By submitting this Proxy Form, the member is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of AGM of the Company dated 13 April 2026.

# GENERAL INFORMATION

## DIRECTORS

**Steven Loh Mun Yew**

*(Executive Chairman and Chief Executive Officer)*

**David Leng Chee Keong**

*(Chief Operating Officer and Executive Director)*

**Karen Loh Pui Lai**

*(Vice-President (China) and Executive Director)*

**Ho Boon Chuan Wilson**

*(Lead Independent Director)*

**Linda Hoon Siew Kin**

*(Independent Director)*

**Tan Soon Liang**

*(Independent Director)*

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## COMPANY SECRETARIES

Wee Woon Hong

Francis Lai Kum Wai

## BANKER

United Overseas Bank Limited

## REGISTERED OFFICE

51 Ubi Avenue 3

Singapore 408858

Tel: (65) 6293 9733

Fax: (65) 6296 5326

## SPONSOR

SAC Capital Private Limited

1 Robinson Road

#21-01 AIA Tower

Singapore 048542

## SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd

1 Harbourfront Avenue

#14-07 Keppel Bay Tower

Singapore 098632

## AUDIT COMMITTEE

Ho Boon Chuan Wilson (Chairman)

Linda Hoon Siew Kin

Tan Soon Liang

## AUDITOR

Ernst & Young LLP

One Raffles Quay

North Tower, Level 18

Singapore 048583

## BOARD SUSTAINABILITY COMMITTEE

Linda Hoon Siew Kin (Chairman)

Steven Loh Mun Yew

Francis Lai Kum Wai

Partner-in-charge: Ho Shyan Yan

(Since financial year ended 31 December 2023)

## NOMINATING COMMITTEE

Tan Soon Liang (Chairman)

Ho Boon Chuan Wilson

Linda Hoon Siew Kin

## REMUNERATION COMMITTEE

Linda Hoon Siew Kin (Chairman)

Ho Boon Chuan Wilson

Tan Soon Liang



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