

11. CONFLICT OF INTEREST

11.1 INTEREST IN ENTITIES WHICH CARRY ON A SIMILAR TRADE AS THAT OF OUR GROUP OR WHICH ARE OUR CUSTOMERS OR SUPPLIERS

11.1.1 Involvement of our Directors and substantial shareholders in entities which carry on a similar trade as that of our Group or which are our customers or suppliers

As at the LPD, save as disclosed below, none of our Directors and substantial shareholders have any interest, direct or indirect, in any entities which are carrying on a similar trade as that of our Group or which are our customers or suppliers:

A. Xie Xingbei, Pearlyn ("Pearlyn")

No.	Businesses/ Corporations	Nature	Principal activity	Nature of interest
1.	Shook Lin & Bok LLP	Legal Adviser to our Company in relation to Singapore law for our Secondary Listing	Legal firm	<u>Interested Director:</u> Pearlyn is a partner at Shook Lin & Bok LLP
2.	Manufacturing Network Pte Ltd ("MNPL")	Supplier to our Group	Wholesale of aluminium plates, wedges and bars including cutting and refining aluminium plates, trading and distribution of metal precision components and investment holding	<u>Interested Director:</u> Pearlyn is an Independent Director of New Wave Holdings Ltd., which is the holding company of MNPL

The Board is of the view that the appointment of Shook Lin & Bok LLP does not cause concerns on the conflict of interest situation and/or Pearlyn's independence as a director of our Company in view of the following:

- (i) another partner of Shook Lin & Bok LLP, namely Wong Gang, is the partner-in-charge for our Secondary Listing and Pearlyn is not involved in our Secondary Listing in her capacity as a partner of Shook Lin & Bok LLP;
- (ii) the criteria or considerations pertaining to the determination of "independent director" under the relevant provisions of the SGX Listing Manual (in particular Practice Guidance 2) and Listing Requirements (in particular Practice Note 13) are complied with, including the thresholds on any significant payments to Shook Lin & Bok LLP, in which Pearlyn is a partner, within the respective prescribed period for assessment*; and
- (iii) the involvement of Shook Lin & Bok LLP in providing its professional service to our Company, whereby she is not part of the engagement team for our Secondary Listing, will not impair the ability of Pearlyn to exercise independent judgement and act in the best interests of our Company.

11. CONFLICT OF INTEREST (Cont'd)

Note:

* Extract of the relevant provision under Practice Guidance 2 of the SGX Listing Manual:

“In addition to these, the Nominating Committee (NC) and Board should consider the following circumstances in which a director should also be deemed to be non-independent:

- (a) ...
- (b) a director, or a director whose immediate family member, in the current or immediate past financial year, is or was, a substantial shareholder or a partner in (with 5% or more stake), or an executive officer of, or a director of, any organisation which provided to or received from the company or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services). The amount and nature of the service, and whether it is provided on a one-off or recurring basis, are relevant in determining whether the service provided is material. As a guide, payments aggregated over any financial year in excess of S\$200,000 should generally be deemed significant irrespective of whether they constitute a significant portion of the revenue of the organisation in question; or

- (c) ...”

Extract of the relevant provision under Practice Note 13 of the Listing Requirements:

“A person who is proposed to be or is an independent director (“said Director”) is disqualified from being an independent director if he –

- (a) had personally provided professional advisory services to the said Corporation within the last 3 years; or
- (b) is presently a partner, director (except as an independent director) or major shareholder, of a firm or corporation (“Entity”) which has provided professional advisory services to the said Corporation within the last 3 years, and the consideration in aggregate is more than 5% of the gross revenue on a consolidated basis (where applicable) of the said Director or the Entity or RM1 million, whichever is the higher.”

The total payments to Shook Lin & Bok LLP made by our Group in relation to the services rendered by Shook Lin & Bok LLP to our Group in the Financial Periods Under Review are below the thresholds prescribed in Practice Guidance 2 of SGX Listing Manual and Practice Note 13 of the Listing Requirements as detailed below:

FYE	Payment to Shook Lin & Bok LLP (S\$)	% of our Group's revenue
2021	5,694.23	Neg
2022	35,321.21	Neg
2023	-	-
2024	170,376.98	0.07
Total	211,392.42	

11. CONFLICT OF INTEREST (Cont'd)

Note:

Neg Negligible. Being less than 0.01% of our Group's revenue for the respective Financial Periods Under Review.

Further to the above, Pearlyn has also provided an undertaking to observe the service engagements of Shook Lin & Bok LLP with our Group and ensure that her position as an Independent Director of our Company will not be affected in consideration of the requirements or guidance as set out by the SGX-ST and Bursa Securities.

The Board is also of the view that Pearlyn's directorship in New Wave Holdings Ltd., the holding company of MNPL which is a supplier to our Group, does not cause concerns on conflict of interest situation in view of the following:

- (i) Pearlyn is an Independent Director of both our Company and New Wave Holdings Ltd. and does not participate in the day-to-day management and operations of our Group as well as New Wave Holdings Ltd. and its subsidiaries (including MNPL) ("**New Wave Group**"). In addition, our Group and New Wave Group (including MNPL) have separate management teams managing the respective businesses of our Group and New Wave Group (including MNPL);
- (ii) MNPL is not our major supplier and we are not dependent on it. Our Group's purchases from MNPL represent no more than 0.2% to our Group's total purchases for each Financial Periods Under Review. Our Group is able to source similar products and services from other suppliers; and
- (iii) our transactions with MNPL were carried out on an arm's length basis and on normal commercial terms which are not unfavourable to our Group after taking into consideration, among others, quotes and invoices from third parties for similar products and services.

B. Luong Andy

As at the LPD, Luong Andy, our Promoter, Executive Director and CEO, holds shares in one of the customers of our Group which is listed on SGX-ST. His shareholding in the said customer is purely for personal investment purpose and is approximately 0.02% in the customer. Neither Luong Andy nor any person connected with him is involved in the management of the said customer.

The Board is of the view that Luong Andy's shareholding in the customer does not cause concerns on conflict of interest situation in view that his shareholding is in the form of investment in shares listed on SGX-ST and neither Luong Andy nor any person connected with him is involved in the management of the said customer.

C. Loh Meng Chong, Stanley

As at the LPD, Loh Meng Chong, Stanley ("**Stanley**"), our Executive Director Group Financial Controller and Senior Vice President of Operations, holds shares in certain companies, which are carrying on a similar trade as that of our Group or which are our customers, that are listed on either Nasdaq or SGX-ST. His shareholdings in the said customers are purely for personal investment purpose and all such shareholdings are less than 0.01% in the respective customer. Neither Stanley nor any person connected with him is involved in the management of the said companies.

11. CONFLICT OF INTEREST (Cont'd)

The Board is of the view that Stanley's shareholdings in the said companies, which are carrying on a similar trade as that of our Group or which are our customers, does not cause concerns on conflict of interest situation in view that his shareholdings are in the form of investments in shares listed on either Nasdaq or SGX-ST and neither Stanley nor any person connected with him is involved in the management of the said companies.

D. abrnn Holdings Limited and abrnn plc

abrnn Holdings Limited and abrnn plc, our substantial shareholders, are principally engaged in investment holding activities. As abrnn Holdings Limited and abrnn plc are fund managers whose objectives are mainly for investment purposes and may have portfolio of investee companies which are carrying on a similar trade as that of our Group or which are our customers or suppliers. Further details of abrnn Holdings Limited and abrnn plc are set out in Section 9.1.1 of this Prospectus.

The Board is of the view that any shareholding by abrnn Holdings Limited and abrnn plc in any company which are carrying on a similar trade as that of our Group or which are our customers or suppliers, does not cause any concerns on conflict of interest situation in view that:

- (i) their shareholdings in such companies (if any) are in the form of investments only; and
- (ii) abrnn Holdings Limited and abrnn plc do not participate in the day-to-day management and operations of our Group. They do not have control on the direction, allocation and usage of our Group's financial resources. In addition, abrnn Holdings Limited and abrnn plc do not have any family relationships with the Directors, Promoter, substantial shareholders and Key Senior Management of our Group.

E. Catcher

In addition to the principal activities of Catcher, our substantial shareholder, and its subsidiaries as set out in Section 9.1.1(vi) of this Prospectus, based on the publicly available information on Catcher and its subsidiaries' business activities published on its website, Catcher and its subsidiaries are involved in, among others, precision machining processes such as laser cutting, vertical and horizontal milling, surface treatment and assembly, and serving customers in industries such as semiconductor and aerospace, which could be deemed to be in similar trade as that of our Group. As at the LPD, Catcher's subsidiaries also holds shares in public companies listed on stock exchanges such as the Taipei Exchange and TWSE which are carrying on similar trade as that of our Group.

Our Board is of the view that Catcher's interest as disclosed above does not cause any concerns on conflict of interest situation in view that:

- (a) Catcher does not participate in the day-to-day management and operations of our Group. They do not have control on the direction, allocation and usage of our Group's financial resources. In addition, Catcher does not have any family relationships with the Directors, Promoter and Key Senior Management of our Group;
- (b) neither the Directors, Promoter and Key Senior Management of our Group nor any person connected with them is involved in the management of the Catcher Group; and

11. CONFLICT OF INTEREST (Cont'd)

- (c) its subsidiaries' shareholdings in the public companies which are carrying on similar trade as of our Group as disclosed above are in the form of investments only.

11.2 MONITORING AND OVERSIGHT OF CONFLICTS OF INTEREST

Our Board will review such conflict of interest situation that may arise within our Company or Group including such transaction, procedure or course that raises questions of management integrity. Our Board will also ensure that any such transactions are carried out on terms that are not detrimental to our Group.

Additionally, pursuant to our Directors' Conflicts of Interest Policy, Directors must avoid situations in which their own personal or business interests directly or indirectly conflict or potentially conflict, with the interest of our Company. Where a Director has a conflict or potential conflict of interest in relation to any matter, he/she will immediately declare his/her interest at the meeting of the Directors or send a written notice to the Chairman and/or Company Secretary, setting out the details of his/her interest and the conflict and recuse himself/herself from any discussions on the matter and abstain from participating in any Board decision.

11.3 DECLARATION BY ADVISERS ON CONFLICTS OF INTEREST

11.3.1 Declaration by TA Securities

TA Securities has confirmed that it has no existing or potential conflict of interest in its capacity as the Principal Adviser for our Secondary Listing.

11.3.2 Declaration by CGS MY

CGS MY has confirmed that it has no existing or potential conflict of interest in its capacity as the Financial Adviser for our Secondary Listing. Its salient terms of engagement and scope of work (which intended to complement the role of TA Securities) as Financial Adviser includes the following:

- (i) to provide advise on financial and regulatory requirements in relation to our Secondary Listing;
- (ii) to participate as a member of the due diligence working group for the purpose of due diligence exercise as required for our Secondary Listing;
- (iii) to assist our Group in compiling information and documents for our Secondary Listing;
- (iv) to assist in reviewing this Prospectus and submission documents to the relevant authorities and other agencies or bodies in respect of our Secondary Listing;
- (v) to assist in reviewing other relevant public documents prepared by the relevant advisers in relation to our Secondary Listing;
- (vi) to liaise with all professional advisers involved in our Secondary Listing;
- (vii) to attend to general matters incidental to our Secondary Listing; and
- (viii) to assess and advise on any other issues relevant to our Secondary Listing.

11. CONFLICT OF INTEREST (Cont'd)

11.3.3 Declaration by Moore Stephens Associates PLT

Moore Stephens Associates PLT has confirmed that it has no existing or potential conflict of interest in its capacity as the Auditors and Reporting Accountants for our Secondary Listing.

11.3.4 Declaration by Lee Choon Wan & Co.

Lee Choon Wan & Co. has confirmed that it has no existing or potential conflict of interest in its capacity as the Legal Adviser to our Company as to Malaysian law for our Secondary Listing.

11.3.5 Declaration by Shook Lin & Bok LLP

Shook Lin & Bok LLP has confirmed that, save for Pearlyn being our Independent Director and partner of Shook Lin & Bok LLP as detailed in Section 11.1.1 of this Prospectus, it has no existing or potential conflict of interest in its capacity as the Legal Adviser to our Company as to Singapore law for our Secondary Listing.

11.3.6 Declaration by Protégé Associates

Protégé Associates has confirmed that it has no existing or potential conflict of interest in its capacity as the Independent Market Researcher for our Secondary Listing.

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12. FINANCIAL INFORMATION

12.1 HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The following historical consolidated financial information for the Financial Periods Under Review have been extracted from the Accountants' Report as set out in Section 13 of this Prospectus.

The historical consolidated financial information presented below should be read in conjunction with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Section 12.2 of this Prospectus and our historical consolidated financial statements and the accompanying notes as set out in the Accountants' Report included in Section 13 of this Prospectus. The historical consolidated financial statements of our Group are reported in S\$, disclosed or announced on the SGX-ST pursuant to the SGX Listing Manual and prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") which is equivalent to IFRS.

12.1.1 Historical audited consolidated income statements

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	271,220	372,389	299,907	242,115
Changes in inventories	16,373	25,312	2,207	(1,589)
Raw material purchases and subcontractor charges	(144,509)	(211,949)	(151,846)	(116,928)
Employee benefits expense	(35,261)	(42,102)	(38,417)	(35,797)
Depreciation expense	(12,425)	(15,611)	(17,927)	(19,799)
Amortisation of intangible assets	(200)	(300)	(300)	(300)
Other expenses	(16,795)	(21,594)	(24,455)	(25,105)
Other credits/(charges)	1,385	(2,038)	(884)	2,645
Finance income	184	230	1,149	2,208
Finance expense	(934)	(1,121)	(933)	(679)
Share of profit of associate	361	-	-	-
Profit before income tax	79,399	103,216	68,501	46,771
Income tax	(21,817)	(1,241)	(7,314)	(5,195)
Net profit for the year	57,582	101,975	61,187	41,576
Profit attributable to:				
Owners of the Company	53,103	98,169	59,984	40,607
Non-controlling interests	4,479	3,806	1,203	969
Total	57,582	101,975	61,187	41,576
EPS attributable to the owners of the Company				
- Basic (cents)	7.96	14.71	8.95	5.74
- Diluted (cents)	7.96	14.71	8.95	5.74
Other selected financial data:				
EBITDA (S\$'000) ⁽¹⁾	92,774	120,018	86,512	65,341
EBITDA margin (%) ⁽²⁾	34.2	32.2	28.8	27.0
PBT margin (%) ⁽³⁾	29.3	27.7	22.8	19.3
PAT margin (%) ⁽⁴⁾	19.6	26.4	20.0	16.8

12. FINANCIAL INFORMATION (Cont'd)

Notes:

- (1) EBITDA is computed as follows:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	S\$'000	S\$'000	S\$'000	S\$'000
Profit before tax	79,399	103,216	68,501	46,771
Add: Finance expense	934	1,121	933	679
Add: Depreciation expense	12,425	15,611	17,927	19,799
Add: Amortisation of intangible assets	200	300	300	300
Less: Finance income	(184)	(230)	(1,149)	(2,208)
EBITDA	92,774	120,018	86,512	65,341

- (2) EBITDA margin is computed based on EBITDA over revenue of our Group.
- (3) PBT margin is computed based on PBT over revenue of our Group.
- (4) PAT margin is computed based on PAT attributable to owners of the Company over revenue of our Group.

12.1.2 Historical audited consolidated statements of comprehensive income

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	S\$'000	S\$'000	S\$'000	S\$'000
Net profit for the year	57,582	101,975	61,187	41,576
Other comprehensive (loss)/income, net of income tax:				
<i>Items that may be classified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations	(938)	(4,948)	(4,619)	8,036
Total comprehensive income for the year	56,644	97,027	56,568	49,612
Total comprehensive income attributable to:				
Owners of the Company	52,121	93,020	55,335	48,724
Non-controlling interests	4,523	4,007	1,233	888
Total	56,644	97,027	56,568	49,612

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12. FINANCIAL INFORMATION (Cont'd)

12.1.3 Historical audited consolidated statements of financial position

	Audited as at 31 December			
	2021	2022	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and bank balances	65,086	61,672	67,458	79,928
Trade receivables and other current assets	67,177	79,890	56,239	56,724
Financial assets through profit or loss	322	967	586	-
Inventories	87,110	110,666	110,760	109,171
Total current assets	219,695	253,195	235,043	245,823
Non-current assets				
Property, plant and equipment	112,115	135,428	152,719	165,986
Right-of-use assets	14,660	10,952	9,915	9,345
Investment property	1,657	1,497	1,368	-
Intangible assets	88,551	88,251	87,951	87,651
Deferred tax assets	76	97	169	162
Total non-current assets	217,059	236,225	252,122	263,144
TOTAL ASSETS	436,754	489,420	487,165	508,967
LIABILITIES AND EQUITY				
Current liabilities				
Bank borrowings	11,601	11,549	6,790	754
Trade and other payables	56,079	57,947	49,646	39,600
Loan from related parties	1,403	909	-	-
Lease liabilities	1,179	761	1,932	652
Income tax payable	19,151	11,083	7,580	4,475
Total current liabilities	89,413	82,249	65,948	45,481
Non-current liabilities				
Bank borrowings	22,685	18,361	15,751	-
Lease liabilities	10,159	9,426	7,999	9,296
Deferred tax liabilities	9,818	10,611	10,136	9,866
Long-term provision	405	405	405	405
Total non-current liabilities	43,067	38,803	34,291	19,567
Total liabilities	132,480	121,052	100,239	65,048
Capital and reserves				
Share capital	136,623	136,623	136,623	186,541
Treasury shares	(2,064)	(891)	(145)	(145)
Reserves	(11,665)	(16,814)	(21,471)	(13,354)
Retained earnings	156,009	221,552	244,830	245,204
	278,903	340,470	359,837	418,246
Non-controlling interests	25,371	27,898	27,089	25,673
Total equity	304,274	368,368	386,926	443,919
Total liabilities and equity	436,754	489,420	487,165	508,967

12. FINANCIAL INFORMATION (Cont'd)

12.1.4 Historical audited consolidated statements of cash flows

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit before income tax	79,399	103,216	68,501	46,771
Adjustments for:				
Allowance for inventories obsolescence	404	647	328	1,684
Allowance for non-trade debts	-	-	6	-
Allowance for project loss	729	-	-	-
Allowance for trade debts	-	-	-	8
Amortisation of intangible assets	200	300	300	300
Bad debts written off (trade)	37	-	-	-
Depreciation expense	12,425	15,611	17,927	19,799
Fair value adjustment on inventories arising from acquisition of a subsidiary	2,000	1,500	586	-
Fair value (gain)/loss on financial assets through profit and loss	(7)	698	252	-
Gain on disposal of financial assets through profit or loss	-	-	-	(726)
Gain on disposal of property, plant and equipment	(7)	(213)	(691)	(220)
Interest expense	934	1,121	933	679
Interest income	(184)	(230)	(1,149)	(2,208)
Inventories written down	3,303	-	-	-
Loss on deemed disposal of an associate	2,015	-	-	-
Property, plant and equipment written off	19	2	3	32
Share of profit of associate	(361)	-	-	-
Unrealised foreign exchange (gain)/loss	(226)	3	(1)	-
Waiver of loans from a related party	(3,904)	-	-	-
Write-back of allowance for non-trade debts	(13)	-	-	(7)
Write-back of allowance for project loss	-	-	(497)	-
Write-back of allowance for trade debts	-	(96)	-	-
Write-back of inventories obsolescence	(3,130)	(267)	-	-
Operating cash flows before working capital changes	93,633	122,292	86,498	66,112
Changes in working capital:				
Trade receivables and other current assets	(29,966)	2,192	15,104	9,834
Inventories	(17,001)	(25,436)	(510)	(95)
Trade and other payables	23,966	1,294	(10,168)	(11,173)
Cash generated from operations	70,632	100,342	90,924	64,678
Income tax paid	(4,470)	(7,963)	(11,143)	(8,238)
Net cash generated from operating activities	66,162	92,379	79,781	56,440

12. FINANCIAL INFORMATION (Cont'd)

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	183	770	985	1,124
Purchase of property, plant and equipment	(9,977)	(53,520)	(29,681)	(33,434)
(Purchase)/Disposal of financial assets through profit and loss	(315)	(1,343)	129	1,312
Improvement to investment property	(65)	-	(32)	(25)
Interest received	184	230	1,149	2,208
Net cash inflow on acquisition of subsidiary	4,367	-	-	-
Net cash used in investing activities	(5,623)	(53,863)	(27,450)	(28,815)
Cash flows from financing activities				
Proceeds from bank borrowings	25,000	35,917	4,000	-
Repayment of bank borrowings	(33,634)	(40,318)	(11,371)	(21,787)
Interest paid	(489)	(623)	(476)	(180)
	(34,123)	(40,941)	(11,847)	(21,967)
Payment of lease liabilities	(1,105)	(1,338)	(880)	(1,118)
Interest paid	(410)	(463)	(446)	(499)
	(1,515)	(1,801)	(1,326)	(1,617)
(Purchase)/Sale of treasury shares	(145)	3,056	1,892	-
Repayment of loan from related parties	-	(529)	(920)	-
Consideration paid for acquisition of non-controlling interests	(15,402)	(2,604)	(3,693)	(4,168)
Dividends paid	(22,671)	(33,385)	(36,209)	(38,369)
Proceeds from issuance of ordinary shares	-	-	-	51,600
Payment for share issuance costs	-	-	-	(1,682)
Net cash used in financing activities	(48,856)	(40,287)	(48,103)	(16,203)
Net increase/(decrease) in cash and cash equivalents	11,683	(1,771)	4,228	11,422
Cash and cash equivalents at the beginning of the year	53,787	65,086	61,672	67,458
Net effect of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies	(384)	(1,643)	1,558	1,048
Cash and cash equivalents at the end of the year	65,086	61,672	67,458	79,928

12. FINANCIAL INFORMATION (Cont'd)

12.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis on our Group's financial conditions and results of operations for the Financial Periods Under Review should be read in conjunction with the historical consolidated financial statements and the accompanying notes, assumptions and bases set out in the Accountants' Report under Section 13 of this Prospectus.

This discussion and analysis contain data derived from our historical consolidated financial statements as well as forward-looking statements reflecting our current views with respect to future events and our financial performance. Our actual results may differ significantly from those anticipated in the forward-looking statements as a result of a number of factors, including those discussed below and elsewhere in this Prospectus, particularly the risk factors set out in Section 5 of this Prospectus.

12.2.1 Overview

Our Group is principally involved in the manufacturing of complex precision machining and the fabrication of sheet material, as well as the provision of related services which are segmented as follows:

Segment	Basis for revenue recognition
Semiconductor	Revenue recognised upon control of goods or services has been transferred.
Aerospace	Revenue recognised upon control of goods or services has been transferred.
Others	Revenue recognised upon control of goods or services has been transferred.

Our business activities for semiconductor, aerospace and other segments are mainly located at our plants in Singapore and Penang, Malaysia.

Our products and services are provided to customers in Singapore as well as international markets such as the USA, Taiwan, Malaysia, China and South Korea.

12.2.2 Results of operations

(i) Revenue

Revenue by end-industry

The table below sets out the breakdown and analysis of our Group's revenue by end-industry for the Financial Periods Under Review:

Revenue	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Semiconductor	242,293	89.3	322,379	86.6	260,037	86.7	204,556	84.5
Aerospace	9,952	3.7	14,958	4.0	22,698	7.6	26,320	10.9
Others *	18,975	7.0	35,052	9.4	17,172	5.7	11,239	4.6
Total	271,220	100.0	372,389	100.0	299,907	100.0	242,115	100.0

Note:

* Comprises, among others, E&E, O&G and energy industries.

12. FINANCIAL INFORMATION (Cont'd)

Revenue by geographical markets

The table below sets out the breakdown and analysis of our Group's revenue generated by geographical markets which is determined based on the location of our customers, for the Financial Periods Under Review:

Revenue	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Singapore	189,914	70.0	258,552	69.4	210,750	70.3	163,060	67.4
USA	31,481	11.6	35,377	9.5	34,840	11.6	32,618	13.5
Taiwan	27,990	10.3	39,184	10.5	25,952	8.7	16,541	6.8
Malaysia	11,517	4.2	19,979	5.4	8,858	3.0	17,457	7.2
Others *	10,318	3.9	19,297	5.2	19,507	6.4	12,439	5.1
Total	271,220	100.0	372,389	100.0	299,907	100.0	242,115	100.0

Note:

- * Comprise countries including but not limited to China (mainly involved in trading of cutting tools and tooling components) and South Korea (mainly involved in precision component segment).

Comparison between FYE 2021 and FYE 2022

Our Group's revenue increased by S\$101.2 million or 37.3% from S\$271.2 million in FYE 2021 to S\$372.4 million in FYE 2022 due to the following:

- (i) increase in revenue from our semiconductor segment by S\$80.1 million or 33.1% from S\$242.3 million in FYE 2021 to S\$322.4 million in FYE 2022, which was buoyed by the increase in sales of both integrated system and precision component as a result of higher demand from our Group's customers, in particular Customer A group of companies and Customer B group of companies, which was in tandem with the increase in global sales of semiconductor manufacturing equipment from US\$102.6 billion in 2021 to the industry record of US\$107.6 billion in 2022 according to Semiconductor Equipment and Materials International ("**SEMI**"), the industry association representing the global semiconductor and electronics design and manufacturing supply chain;
- (ii) increase in revenue from our others segment by S\$16.1 million or 84.7% from S\$19.0 million in FYE 2021 to S\$35.1 million in FYE 2022 as a result of the delivery of water disinfection systems for two projects by our subsidiary, namely KEPL, as compared to lower value of projects delivered in FYE 2021; and
- (iii) increase in revenue from our aerospace segment by S\$5.0 million or 50.3% from S\$10.0 million in FYE 2021 to S\$15.0 million in FYE 2022 arising from the consolidation of JEP Holdings and its subsidiaries' ("**JEP Group**") 12-month revenue in FYE 2022 as compared to the consolidation of JEP Group's 8-month revenue in FYE 2021 ("**8-month Consolidation**"). The 8-month Consolidation was due to the increase in our shareholding in JEP Holdings from 40.7% to 53.8% in April 2021 which has resulted in the recognition of JEP Holdings as our subsidiary.

Our Group's sales are denominated in US\$, S\$, RM, JPY, RMB and Euro. The changes to the foreign exchange rates for FYE 2022 as compared to FYE 2021 on our Group's revenue has resulted in an increase of revenue in S\$ for FYE 2022 of approximately 2.3%.

12. FINANCIAL INFORMATION (Cont'd)

Comparison between FYE 2022 and FYE 2023

Our Group's revenue decreased by S\$72.5 million or 19.5% from S\$372.4 million in FYE 2022 to S\$299.9 million in FYE 2023, mainly due to the following:

- (i) decrease in revenue from our semiconductor segment by S\$62.3 million or 19.3% from S\$322.4 million in FYE 2022 to S\$260.0 million in FYE 2023 as a result of the decrease in sales of both integrated system by S\$12.0 million and precision component by S\$50.2 million as a result of lower demand from our Group's customers, in particular Customer A group of companies and Customer C group of companies, amid slowdown of the global semiconductor industry as evident by the decreases in the global semiconductor industry sales from US\$574.1 billion in 2022 to US\$526.8 billion in 2023 according to the Semiconductor Industry Association ("SIA") and global sales of semiconductor manufacturing equipment from US\$107.6 billion in 2022 to the industry record of US\$106.3 billion in 2023 according to SEMI; and
- (ii) decrease in revenue from others segment of S\$17.9 million or 51.0% from S\$35.1 million in FYE 2022 to S\$17.2 million in FYE 2023 as a result of the general slowdown of our material and tooling distribution business in tandem with the slowdown in the global semiconductor industry which majority of our customers from our material and tooling distribution business operate in.

The decrease in revenue as detailed above was partially offset by the increase in revenue from our aerospace segment by S\$7.7 million or 51.7% from S\$15.0 million in FYE 2022 to S\$22.7 million in FYE 2023 as a result of rebound in global air travel upon uplift of travel restrictions in various countries post COVID-19, leading to a surge in demand from our customers.

The changes to the foreign exchange rates for FYE 2023 as compared to FYE 2022 on our Group's revenue has resulted in a decrease of revenue in S\$ for FYE 2023 of approximately 2.5%.

Comparison between FYE 2023 and FYE 2024

Our Group's revenue decreased by S\$57.8 million or 19.3% from S\$299.9 million in FYE 2023 to S\$242.1 million in FYE 2024, mainly due to the following:

- (i) decrease in revenue from our semiconductor segment by S\$55.5 million or 21.3% from S\$260.0 million in FYE 2023 to S\$204.6 million by S\$45.6 million in FYE 2024 as a result of the decrease in sales of both integrated system and precision component by S\$9.8 million as a result of lower demand from our Group's customers, in particular Customer A group of companies, despite the growth of the global semiconductor industry in FYE 2024 which could be attributed by high inventory of our customers in the semiconductor segment; and
- (ii) decrease in revenue from others segment of S\$5.9 million or 34.6% from S\$17.2 million in FYE 2023 to S\$11.2 million in FYE 2024 as a result of weaker material and tooling distribution business affected by the general business slowdown in the global semiconductor industry which majority of our customers from our material and tooling distribution business operate in.

The decrease in revenue as detailed above was partially offset by the increase in revenue from our aerospace segment by S\$3.6 million or 16.0% from S\$22.7 million in FYE 2023 to S\$26.3 million in FYE 2024 as a result of the recovery of the global aviation industry which led to an increase in demand from our customers.

12. FINANCIAL INFORMATION (Cont'd)

The changes to the foreign exchange rates for FYE 2024 as compared to FYE 2023 on our Group's revenue has resulted in a decrease of revenue in S\$ for FYE 2024 of approximately 0.8%.

(ii) Changes in inventories

The changes in inventories for the Financial Periods Under Review were computed based on the difference of the opening and closing inventories of the respective financial year and accounted for, among others, elimination of unrealised profit of inventories and fair value adjustments on inventories arising from our acquisition of JEP Holdings.

(iii) Raw material purchases and subcontractor charges

The table below sets out the breakdown and analysis of our Group's raw material purchases and subcontractor charges for the Financial Periods Under Review:

Raw material purchases and subcontractor charges	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Raw material purchases	140,245	97.0	203,425	96.0	147,728	97.3	113,968	97.5
Subcontractor charges	4,264	3.0	8,524	4.0	4,118	2.7	2,960	2.5
Total	144,509	100.0	211,949	100.0	151,846	100.0	116,928	100.0

Comparison between FYE 2021 and FYE 2022

Our Group's raw material purchases and subcontractor charges increased by S\$67.4 million or 46.7% from S\$144.5 million in FYE 2021 to S\$211.9 million in FYE 2022, mainly due to the following:

- (i) increase in raw material purchases of S\$63.2 million or 45.0% from S\$140.2 million in FYE 2021 to S\$203.4 million in FYE 2022; and
- (ii) increase in subcontractor charges of S\$4.2 million or 99.9% from S\$4.3 million in FYE 2021 to S\$8.5 million in FYE 2022,

which are required to fulfil the increased orders from our Group's customers in tandem with our Group's higher sales in FYE 2022 as compared to FYE 2021.

Comparison between FYE 2022 and FYE 2023

Our Group's raw material purchases and subcontractor charges decreased by S\$60.1 million or 28.4% from S\$211.9 million in FYE 2022 to S\$151.8 million in FYE 2023, mainly due to the following:

- (i) decrease in raw material purchases of S\$55.7 million or 27.4% from S\$203.4 million in FYE 2022 to S\$147.7 million in FYE 2023; and
- (ii) decrease in subcontractor charges of S\$4.4 million or 51.7% from S\$8.5 million in FYE 2022 to S\$4.1 million in FYE 2023,

as a result of lower utilisation of raw materials and subcontractor's services due to decreased orders from our Group's customers in tandem with our Group's lower sales in FYE 2023 as compared to FYE 2022.

12. FINANCIAL INFORMATION (Cont'd)

Comparison between FYE 2023 and FYE 2024

Our Group's raw material purchases and subcontractor charges decreased by S\$34.9 million or 23.0% from S\$151.8 million in FYE 2023 to S\$116.9 million in FYE 2024, mainly due to the following:

- (i) decrease in raw material purchases of S\$33.7 million or 22.9% from S\$147.7 million in FYE 2023 to S\$114.0 million in FYE 2024; and
- (ii) decrease in subcontractor charges of S\$1.1 million or 28.1% from S\$4.1 million in FYE 2023 to S\$3.0 million in FYE 2024,

as a result of lower utilisation of raw materials and subcontractor's services due to decreased orders from our Group's customers in tandem with our Group's lower sales in FYE 2024 as compared to FYE 2023.

(iv) Employee benefits expense

The table below sets out the breakdown and analysis of our Group's employee benefits expense for the Financial Periods Under Review:

Employee benefits expense	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Salaries, wages and bonuses	24,124	68.4	29,743	70.7	28,705	74.7	28,378	79.3
Expenses on executive bonus plan to key management personnel	8,327	23.6	8,771	20.8	6,346	16.5	4,455	12.4
Contributions to defined contribution plans	2,810	8.0	3,588	8.5	3,366	8.8	2,964	8.3
Total	35,261	100.0	42,102	100.0	38,417	100.0	35,797	100.0

Comparison between FYE 2021 and FYE 2022

Our Group's employee benefits expense increased by S\$6.8 million or 19.4% from S\$35.3 million in FYE 2021 to S\$42.1 million in FYE 2022 mainly due to the increase in salaries and wages arising from higher headcount and higher bonus provision to key management personnel as well as the consolidation of JEP Group's 12-month expense in FYE 2022 as compared to the 8-month expense consolidation in FYE 2021.

Comparison between FYE 2022 and FYE 2023

Our Group's employee benefits expense declined by S\$3.7 million or 8.8% from S\$42.1 million in FYE 2022 to S\$38.4 million in FYE 2023 mainly due to the lower bonus provision to key management personnel in tandem with our Group's lower PAT for FYE 2023.

Comparison between FYE 2023 and FYE 2024

Our Group's employee benefits expense declined by S\$2.6 million or 6.8% from S\$38.4 million in FYE 2023 to S\$35.8 million in FYE 2024 mainly due to the lower bonus provision to key management personnel in tandem with our Group's lower PAT for FYE 2024.

12. FINANCIAL INFORMATION (Cont'd)

(v) Depreciation expense

The table below sets out the breakdown and analysis of our Group's depreciation expense for the Financial Periods Under Review:

Depreciation expense	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Depreciation expense on property, plant and equipment	10,998	88.5	13,739	88.0	16,523	92.2	18,693	94.4
Depreciation expense on right-of-use assets	1,271	10.2	1,712	11.0	1,243	6.9	943	4.8
Depreciation expense on investment property	156	1.3	160	1.0	161	0.9	163	0.8
Total	12,425	100.0	15,611	100.0	17,927	100.0	19,799	100.0

Comparison between FYE 2021 and FYE 2022

Our Group's depreciation expense increased by S\$3.2 million or 25.6% from S\$12.4 million in FYE 2021 to S\$15.6 million in FYE 2022, mainly due to the increase in depreciation expense of the following:

- (i) property, plant and equipment of S\$2.7 million from S\$11.0 million in FYE 2021 to S\$13.7 million in FYE 2022 in tandem with higher purchases of plant and equipment; and
- (ii) right-of-use assets of S\$0.4 million from S\$1.3 million in FYE 2021 to S\$1.7 million in FYE 2022 mainly arising from the consolidation of JEP Group's 12-month expense in FYE 2022 as compared to the 8-month expense consolidation in FYE 2021.

Comparison between FYE 2022 and FYE 2023

Our Group's depreciation expense increased by S\$2.3 million or 14.8% from S\$15.6 million in FYE 2022 to S\$17.9 million in FYE 2023 mainly due to the increase in depreciation expense on property, plant and equipment of S\$2.8 million from S\$13.7 million in FYE 2022 to S\$16.5 million in FYE 2023 in tandem with the purchases and additions to our property, plant and equipment.

Comparison between FYE 2023 and FYE 2024

Our Group's depreciation expense increased by S\$1.9 million or 10.4% from S\$17.9 million in FYE 2023 to S\$19.8 million in FYE 2024 mainly due to the increase in depreciation expense on property, plant and equipment of S\$2.2 million from S\$16.5 million in FYE 2023 to S\$18.7 million in FYE 2024 in tandem with the additions to our property, plant and equipment which mainly consist of machinery and equipment for our production facility in Penang, Malaysia.

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12. FINANCIAL INFORMATION (Cont'd)

(vi) Other expenses

The table below sets out the breakdown and analysis of our Group's other expenses for the Financial Periods Under Review:

Other expenses	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Utilities	4,787	28.5	6,094	28.2	8,440	34.5	7,917	31.5
Upkeep of machinery	2,378	14.2	3,025	14.0	3,497	14.3	3,905	15.6
Consultancy fees *	2,220	13.2	3,043	14.1	3,201	13.1	2,386	9.5
Freight charges	1,822	10.8	2,904	13.5	1,866	7.6	1,441	5.7
Upkeep of properties	1,068	6.4	1,688	7.8	1,638	6.7	1,943	7.7
Legal and professional fees	1,050	6.3	963	4.5	778	3.2	1,641	6.5
Insurance	608	3.6	804	3.7	783	3.2	828	3.3
Property tax	577	3.4	726	3.4	747	3.0	779	3.1
Auditor's remuneration								
- Company's auditors	316	1.9	325	1.5	338	1.4	353	1.4
- Other auditors (network firm)	24	0.1	22	0.1	34	0.1	35	0.1
Non-audit fees								
- Company's auditors	-	-	-	-	-	-	80	0.3
- Other auditors (network firm)	-	-	3	Neg	24	0.1	162	0.7
- Other auditors (non-network firms)	41	0.2	31	0.1	21	0.1	37	0.2
Tax fees	63	0.4	62	0.3	66	0.3	77	0.3
Travelling expenses	-	-	348	1.6	275	1.1	288	1.2
Staff welfare	-	-	460	2.1	918	3.8	1,204	4.8
Others	1,841	11.0	1,096	5.1	1,829	7.5	2,029	8.1
Total	16,795	100.0	21,594	100.0	24,455	100.0	25,105	100.0

Notes:

Neg Negligible, being less than 0.1%.

* Comprise the fees paid to a related party, namely Sure Achieve, for its provision of consultancy services relating to marketing, sales and pricing strategies for our Group's products and business plans. Please refer to Section 10.1.1 of this Prospectus for details.

Comparison between FYE 2021 and FYE 2022

Our Group's other expenses increased by S\$4.8 million or 28.6% from S\$16.8 million in FYE 2021 to S\$21.6 million in FYE 2022, mainly due to the following:

- (i) increase in utilities by S\$1.3 million or 27.3% from S\$4.8 million in FYE 2021 to S\$6.1 million in FYE 2022 as a result of the consolidation of JEP Group's 12-month expenses in FYE 2022 as compared to the 8-month expenses consolidation in FYE 2021;
- (ii) increase in freight charges by S\$1.1 million or 59.4% from S\$1.8 million in FYE 2021 to S\$2.9 million in FYE 2022 as a result of the increase in purchases of material and higher freight rates; and

12. FINANCIAL INFORMATION (Cont'd)

- (iii) increase in consultancy fees by S\$0.8 million or 37.1% from S\$2.2 million in FYE 2021 to S\$3.0 million in FYE 2022 as a result of higher success fees payable to Sure Achieve in respect of our sales of new products in FYE 2021. For clarity, such success fees were paid to Sure Achieve during FYE 2022 and captured in our expenses for the FYE 2022.

Comparison between FYE 2022 and FYE 2023

Our Group's other expenses increased by S\$2.9 million or 13.2% from S\$21.6 million in FYE 2022 to S\$24.5 million in FYE 2023, mainly due to the following:

- (i) increase in utilities by S\$2.3 million or 38.5% from S\$6.1 million in FYE 2022 to S\$8.4 million in FYE 2023 as a result of the increase in the imbalance cost pass-through (ICPT) by Tenaga Nasional Berhad which was incurred in our operations in Malaysia; and
- (ii) increase in consultancy fees by S\$0.2 million or 6.7% from S\$3.0 million in FYE 2022 to S\$3.2 million in FYE 2023 as a result of higher success fees payable to Sure Achieve in respect of our sales of new products in FYE 2022. For clarity, such success fees were paid to Sure Achieve during FYE 2023 and captured in our expenses for the FYE 2023.

Comparison between FYE 2023 and FYE 2024

Our Group's other expenses increased by S\$0.6 million or 2.7% from S\$24.5 million in FYE 2023 to S\$25.1 million in FYE 2024, mainly due to the increase in legal and professional fees by S\$0.8 million or 110.9% from S\$0.8 million in FYE 2023 to S\$1.6 million in FYE 2024 mainly incurred for our Secondary Listing.

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12. FINANCIAL INFORMATION (Cont'd)

(vii) Other credits/(charges)

The table below sets out the breakdown and analysis of our other credits or charges for the Financial Periods Under Review:

Other credits/(charges)	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	S\$'000	S\$'000	S\$'000	S\$'000
Waiver of loans from a related party	3,904	-	-	-
Write-back of inventories obsolescence	3,130	267	-	-
Government grants	469	196	133	110
Gain on disposal of property, plant and equipment	7	213	691	220
Foreign exchange gains/(losses) – net	1,971	(272)	(1,130)	3,020
Gain on disposal of financial assets through profit or loss	-	-	-	726
Write-back of allowance for project loss	-	-	497	-
Write-back of allowance for trade debts	-	96	-	-
Write-back of allowance for non-trade debts	13	-	-	7
Allowance for non-trade debts	-	-	(6)	-
Allowance for trade debts	-	-	-	(8)
Property, plant and equipment written off	(19)	(2)	(3)	(32)
Bad debts written off (trade)	(37)	-	-	-
Allowance for project loss	(729)	-	-	-
Fair value gain/(loss) on financial assets through profit or loss	7	(698)	(252)	-
Allowance for inventories obsolescence	(404)	(647)	(328)	(1,684)
Loss on deemed disposal of an associate	(2,015)	-	-	-
Inventories written down	(3,303)	-	-	-
Fair value adjustment on inventories arising from acquisition of a subsidiary	(2,000)	(1,500)	(586)	-
Others	391	309	100	286
Total	1,385	(2,038)	(884)	2,645

Comparison between FYE 2021 and FYE 2022

Our Group incurred other charges of S\$2.0 million in FYE 2022 as compared to other credits of S\$1.4 million generated in FYE 2021, mainly due to the following:

- (i) absence of waiver of loans from a related party, namely Full City Investments Ltd, which is a shareholder of KEPL, of S\$3.9 million which was waived in FYE 2021; and
- (ii) net foreign exchange losses of S\$0.3 million in FYE 2022 arising from the appreciation of the US\$, in which our sales are mainly denominated, against S\$, as compared to the net foreign exchange gains of S\$2.0 million in FYE 2021.

12. FINANCIAL INFORMATION (Cont'd)

Comparison between FYE 2022 and FYE 2023

Our Group incurred other charges of S\$0.9 million in FYE 2023 as compared to other charges of S\$2.0 million incurred in FYE 2022. This decrease was mainly due to the following:

- (i) decrease in fair value adjustment on inventories arising from our acquisition of JEP Holdings of S\$0.9 million or 60.9% from S\$1.5 million in FYE 2022 to S\$0.6 million in FYE 2023 as a result of lower amortisation of the fair value of inventories; and
- (ii) write-back of allowance for project loss of S\$0.5 million as a project which was anticipated to be unsuccessful, had been delivered to our customer in FYE 2023.

Comparison between FYE 2023 and FYE 2024

Our Group incurred other credits of S\$2.6 million in FYE 2024 as compared to other charges of S\$0.9 million incurred in FYE 2023. This was mainly due to the net foreign exchange gain of S\$3.0 million in FYE 2024 arising from the depreciation of US\$, in which our sales are mainly denominated, against S\$, as compared to the net foreign exchange loss of S\$1.1 million in FYE 2023.

(viii) Finance income

Our Group's finance income for the Financial Periods Under Review comprises interest income from our deposits with banks.

Comparison between FYE 2021 and FYE 2022

Our Group's finance income remained relatively constant at S\$0.2 million for both FYEs 2021 and 2022.

Comparison between FYE 2022 and FYE 2023

Our Group's finance income increased by S\$0.9 million or 399.6% from S\$0.2 million in FYE 2022 to S\$1.1 million in FYE 2023 which is in tandem with higher placement of fixed deposits in FYE 2023.

Comparison between FYE 2023 and FYE 2024

Our Group's finance income increased by S\$1.1 million or 92.2% from S\$1.1 million in FYE 2023 to S\$2.2 million in FYE 2024 which is in tandem with higher placement of fixed deposits in FYE 2024.

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12. FINANCIAL INFORMATION (Cont'd)

(ix) Finance expense

The table below sets out the breakdown and analysis of our Group's finance expense for the Financial Periods Under Review:

Finance expense	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Interest expense								
- Bank borrowings	489	52.4	623	55.6	476	51.0	180	26.5
- Lease liabilities	410	43.9	463	41.3	446	47.8	499	73.5
- Loans from related parties	35	3.7	35	3.1	11	1.2	-	-
Total	934	100.0	1,121	100.0	933	100.0	679	100.0

Comparison between FYE 2021 and FYE 2022

Our Group's finance expense increased by S\$0.2 million or 20.0% from S\$0.9 million in FYE 2021 to S\$1.1 million in FYE 2022, mainly due to the following:

- (i) increase in interest expense on bank borrowings of S\$0.1 million or 27.4% from S\$0.5 million in FYE 2021 to S\$0.6 million in FYE 2022 despite the decrease in our bank borrowings; and
- (ii) increase in interest expense on lease liabilities of S\$0.1 million or 12.9% from S\$0.4 million in FYE 2021 to S\$0.5 million in FYE 2022 despite the decrease in lease liabilities,

both arising from the consolidation of JEP Group's 12-month expense in FYE 2022 as compared to the 8-month expense consolidation in FYE 2021.

Comparison between FYE 2022 and FYE 2023

Our Group's finance expense decreased by S\$0.2 million or 16.8% from S\$1.1 million in FYE 2022 to S\$0.9 million in FYE 2023, mainly due to the following:

- (i) decrease in interest expense on bank borrowings of S\$0.1 million or 23.6% from S\$0.6 million in FYE 2022 to S\$0.5 million in FYE 2023, in tandem with the decrease in our bank borrowings; and
- (ii) decrease in interest expense on lease liabilities of S\$0.1 million or 3.7% from S\$0.5 million in FYE 2022 to S\$0.4 million in FYE 2023, in tandem with the decrease in lease liabilities.

Comparison between FYE 2023 and FYE 2024

Our Group's finance expense decreased by S\$0.2 million or 27.2% from S\$0.9 million in FYE 2023 to S\$0.7 million in FYE 2024, mainly due to the decrease in interest expense on bank borrowings of S\$0.3 million or 62.2% from S\$0.5 million in FYE 2023 to S\$0.2 million in FYE 2024, in tandem with the decrease in our bank borrowings.

12. FINANCIAL INFORMATION (Cont'd)

(x) PBT, PAT and effective tax rate

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
PBT (S\$'000)	79,399	103,216	68,501	46,771
PBT margin (%)	29.3	27.7	22.8	19.3
Income tax (S\$'000)	21,817	1,241	7,314	5,195
Effective tax rate (%)	27.5	1.2	10.7	11.1
Statutory tax rate (%)				
- Singapore	17.0	17.0	17.0	17.0
- Malaysia	24.0	24.0	24.0	24.0
- USA				
• Federal	21.0	21.0	21.0	21.0
• California State	8.84	8.84	8.84	8.84
PAT attributable to owners of the Company (S\$'000)	53,103	98,169	59,984	40,607
PAT margin (%)	19.6	26.4	20.0	16.8

Comparison between FYE 2021 and FYE 2022

Our Group's PBT increased by S\$23.8 million or 30.0% from S\$79.4 million in FYE 2021 to S\$103.2 million in FYE 2022, mainly due to the increase in our revenue in FYE 2022 (details as set out in Section 12.2.2(i) of this Prospectus).

Our Group's PBT margin decreased by 1.6% from 29.3% in FYE 2021 to 27.7% in FYE 2022 mainly due to the increase in raw material purchases and subcontractor charges of S\$67.4 million (details as set out in Section 12.2.2(iii) of this Prospectus) and incurred other charges of S\$2.0 million in FYE 2022 (details as set out in Section 12.2.2(vii) of this Prospectus).

For the FYE 2021, our Group has incurred income tax expense of S\$21.8 million with an effective tax rate of 27.5%, which was higher than the Singapore's statutory tax rate of 17.0%, mainly due to the following:

- (i) the absence of the tax exemption for our Malaysian subsidiary, namely Ultimate Machining, in relation to its pioneer tax status which has expired in FYE 2021; and
- (ii) tax provision made by our Malaysian subsidiary, namely Ultimate Manufacturing, as it was unable to achieve its pioneer tax incentive in FYE 2021 in view of the non-fulfilment of the stipulated local employee criteria.

For the FYE 2022, our Group has incurred income tax expense of S\$1.2 million with an effective tax rate of 1.2% which was lower than the Singapore's statutory tax rate of 17.0%. This was mainly due to the reversal of tax provision made by our Malaysian subsidiary, namely Ultimate Manufacturing, of S\$11.9 million in FYE 2022 after the reinstatement of its pioneer tax status.

In view of the foregoing, our Group's PAT attributable to owners of the Company increased by S\$45.1 million or 84.9% from S\$53.1 million in FYE 2021 to S\$98.2 million in FYE 2022.

Comparison between FYE 2022 and FYE 2023

Our Group's PBT decreased by S\$34.7 million or 33.6% from S\$103.2 million in FYE 2022 to S\$68.5 million in FYE 2023 mainly due to the decrease in our revenue in FYE 2023 (details as set out in Section 12.2.2(i) of this Prospectus).

12. FINANCIAL INFORMATION (Cont'd)

Our Group's PBT margin decreased by 4.9% from 27.7% in FYE 2022 to 22.8% in FYE 2023 mainly due to increase in depreciation expenses of S\$2.3 million (details as set out in Section 12.2.2(v) of this Prospectus) and increase in other expenses of S\$2.9 million (details as set out in Section 12.2.2(vi) of this Prospectus).

For the FYE 2023, our Group has incurred income tax expense of S\$7.3 million with an effective tax rate of 10.7% which was lower than the Singapore's statutory tax rate of 17.0%. This was mainly due to the tax exemption arising from the pioneer status incentive obtained by Ultimate Manufacturing.

In view of the foregoing, our Group's PAT attributable to owners of the Company decreased by S\$38.2 million or 38.9% from S\$98.2 million in FYE 2022 to S\$60.0 million in FYE 2023.

Comparison between FYE 2023 and FYE 2024

Our Group's PBT decreased by S\$21.7 million or 31.7% from S\$68.5 million in FYE 2023 to S\$46.8 million in FYE 2024 mainly due to the decrease in our revenue in FYE 2024 (details as set out in Section 12.2.2(i) of this Prospectus).

Our Group's PBT margin decreased by 3.5% from 22.8% in FYE 2023 to 19.3% in FYE 2024 mainly due to increase in depreciation expenses of S\$1.9 million (details as set out in Section 12.2.2(v) of this Prospectus) and increase in other expenses of S\$0.7 million (details as set out in Section 12.2.2(vi) of this Prospectus).

For the FYE 2024, our Group has incurred income tax expense of S\$5.2 million with an effective tax rate of 11.1% which was lower than the Singapore's statutory tax rate of 17.0%. This was mainly due to the tax exemption arising from the pioneer status incentive obtained by Ultimate Manufacturing.

In view of the foregoing, our Group's PAT attributable to owners of the Company decreased by S\$19.4 million or 32.3% from S\$60.0 million in FYE 2023 to S\$40.6 million in FYE 2024.

12.3 SIGNIFICANT FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our financial condition and results of operations have been and will continue to be affected by various key factors primarily relating to the industry in which we operate. These factors include but are not limited to the following:

12.3.1 Dependency on our major customers

We are dependent on our major customers in particular, Customer A group of companies who had contributed approximately 67.7%, 66.4%, 74.9% and 68.4% to our Group's revenue in the Financial Periods Under Review respectively. Our financial performance will be negatively affected if our major customers reduce or delay purchases from us or purchase at terms that are unfavourable to us, including the pricing and payment terms.

Our business relationships with some of our major customers are governed by agreements which regulate and at times, restrict our conduct in relation to the protection of their intellectual property, maintenance of quality standards, compliance with local and international regulations and avoidance of conflict of interest, among other matters. If we are unable to maintain our standard of quality and/or consistently meet the requirements of our major customers, we may not be able to maintain our business relationships and/or secure future orders from our major customers and this may adversely and materially affect our financial performance and business prospects.

12. FINANCIAL INFORMATION (Cont'd)

Please refer to Section 5.1.1 of this Prospectus for further details of our dependency on our major customers.

12.3.2 Exposure to fluctuations in metal raw material prices

We purchase a wide range of metal raw materials including aluminium, steel, copper, brass and nickel for our precision machining and sheet metal fabrication operations. These metal raw materials, or the base metals of these metal raw materials where they are metal alloys, are widely traded on global commodity markets and their prices fluctuate according to demand and supply conditions which are influenced by external events such as the geopolitical environment and global economic growth which are beyond our control or ability to predict these events. Any increase in the prices of metal raw materials over a prolonged period of time may have material negative impact to our financial performance and financial condition.

Please refer to Section 5.1.3 of this Prospectus for further details of our exposure to fluctuation in metal raw material prices.

12.3.3 Exposure to risks associated with business combinations, acquisitions and strategic investments

We have a history of acquiring and investing in companies in existing, related or new markets to achieve financial and strategic objectives that ordinarily cannot be attained through organic growth. Some of these acquired companies such as JEP Holdings and SSPL have since successfully enhanced our revenue and competitive strength. We may in the future engage in further business combinations, acquisitions and strategic investments to further grow our business. However, these exercises involve a number of risks to our business and financial conditions. They include the diversion of management attention, failure to realise the synergies and expected revenues from acquired businesses, impairment of acquired business assets due to excessive acquisition price or changes in business conditions, failure to detect undisclosed liabilities and deterioration in our financial condition after financing the acquisitions.

Please refer to Section 5.1.4 of this Prospectus for further details of our exposure to risks associated with business combinations, acquisitions and strategic investments

12.3.4 Foreign exchange fluctuation risk

Our statutory financial statements are presented in S\$, which is our functional reporting currency. We are subject to foreign exchange fluctuation risk from sales and purchases that are denominated in a currency other than our functional currency in S\$. Our sales are mainly transacted in US\$ and our financial assets are substantially denominated in US\$, which gives rise to potential foreign exchange losses and reduction in our functional currency sales value shall the US\$ depreciates significantly against our functional currency in S\$. The financial results of our Malaysian subsidiaries whose functional currency is in RM must be translated into S\$ on every reporting date. Currency mismatches between sales, purchases, and expenses, as well as timing differences between collections and payments, expose us to fluctuations in exchange rates, including against the S\$. The fluctuation of foreign currency exchange is influenced by various factors that are beyond our control.

Please refer to Sections 5.1.5 and 12.9.1 of this Prospectus for further details on foreign exchange fluctuation risk and the impact of the changes to the foreign exchange rates on our Group's revenue, respectively.

12. FINANCIAL INFORMATION (Cont'd)

12.3.5 Disruptions or delays from unexpected or force majeure events that are outside our control

We rely on the smooth running of our production operations to keep up with our production schedules to fulfil customer orders in a timely manner. While we periodically maintain our machinery and equipment to prevent failures and replace defunct machinery and equipment where necessary, there is no assurance that we may not encounter disruptions or unplanned downtime due to various incidents such as unplanned machine downtime, workplace accidents, or force majeure events like natural disasters, fires, or power outages. Disruptions or unplanned downtime interrupts our production processes and may cause delays to our production schedules.

In the event our production operations are disrupted or delayed, we may be required to schedule additional production shifts to meet our production targets, resulting in additional costs to us. The delay of our production schedules may also affect our ability to fulfil the timely delivery of products to our customers. This may lead to cancellation of orders or cessation of future orders by our customers and negatively affect our relationship with them, which may adversely impact our business prospects and financial performance.

Please refer to Section 5.1.7 of this Prospectus for further details of disruptions or delays from unexpected or force majeure events that are outside our control.

12.3.6 Impact of regulatory requirements

We are required to comply with various regulatory requirements in order to maintain and obtain licenses, certificates and approvals issued by regulatory authorities to carry out our business operations. These licenses, certificates and approvals include manufacturing licenses, fire safety certificates, poisons licenses, hazardous materials handling certificates, office licenses and waste discharge approvals. Our failure to comply with these regulations may result in the suspension or termination of our licenses, certificates and approvals, resulting in our inability to operate our business.

Please refer to Section 5.1.8 of this Prospectus for further details of impact of regulatory requirements.

12.3.7 Expiry of tax exemption obtained by our subsidiary in Malaysia

Our Malaysian subsidiary, namely Ultimate Manufacturing, has since 2017 obtained the pioneer tax status from MIDA for its integrated production operations, which allows it to enjoy an exemption on income tax for 10 years period from 11 August 2017 to 10 August 2027. Attributable to the said tax exemption, our Group's effective tax rate for FYEs 2022, 2023 and 2024 was 1.2%, 10.7% and 11.1% respectively, which were lower than the statutory tax rate of Singapore of 17.0% and Malaysia of 24.0%, as detailed in Section 12.2.2(x) of this Prospectus.

If the pioneer tax status of Ultimate Manufacturing is revoked prior to its expiry on 10 August 2027 and in the absence of pioneer tax status, or upon expiry of the said pioneer tax status, Ultimate Manufacturing will be subject to the statutory tax rate of Malaysia of 24.0% which may have material adverse impact to our financial performance and conditions.

During the tax incentive period, Ultimate Manufacturing has to comply with the following conditions:

- (i) the value added for the company's products must reach at least 60% as proposed each year throughout the tax incentive period;
- (ii) the number of staff at the management, technical, and supervisory levels must reach at least 71% of the company's total workforce as proposed each year throughout the tax incentive period;

12. FINANCIAL INFORMATION (Cont'd)

- (iii) the company's total full-time workforce must consist of at least 80% Malaysian citizens by no later than December 31, 2022. The employment of foreign workers (including workers obtained through outsourcing) is subject to the current policy;
- (iv) the company is not eligible to claim for the remaining unabsorbed Reinvestment Allowance as proposed by the company;
- (v) the company must offer an industrial technical training (internship) program to at least 10 students from local higher education/technical institutions starting from the year of assessment 2023 until the end of the incentive period; and
- (vi) the total number of skilled workers, including management staff, R&D personnel, technicians, associate professionals, and local craft-skilled workers with a monthly salary of at least RM5,000.00, must be 30 throughout the incentive period starting from the year of assessment 2023.

As at the LPD, Ultimate Manufacturing is in full compliance with the abovementioned conditions.

12.4 LIQUIDITY AND CAPITAL RESOURCES

12.4.1 Working capital

Our business had been financed from a combination of internal and external sources comprising shareholders' equity and cash generated from our operations while external sources comprise banking facilities from financial institutions and fund raising exercises. The principal utilisation of these funds has been for our business operations and growth.

Based on our statement of financial position as at 31 December 2024, our Group has cash and bank balances of S\$79.9 million and total bank borrowings and lease liabilities of S\$10.7 million. As at 31 December 2024, our Group's gearing ratio was 0.02 time and current ratio was 5.4 times.

Our Directors are of the opinion that we will have adequate working capital to meet our present and foreseeable requirements for a period of at least 12 months from the date of this Prospectus after taking into consideration the following:

- (i) our cash and cash equivalents;
- (ii) the expected profits and cash flows to be generated from our business operations;
- (iii) the unutilised credit limit of approximately S\$75.4 million available under our existing banking facilities as at the LPD; and
- (iv) the capital expenditures expected to be incurred for the committed purchase of machineries and land expected as detailed in Section 12.4.5 of this Prospectus as well as planned replacement of machineries.

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12. FINANCIAL INFORMATION (Cont'd)

12.4.2 Cash flows

The summary of our Group's cash flow based on our Group's historical consolidated statements of cash flows for the Financial Periods Under Review is as follows:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	S\$'000	S\$'000	S\$'000	S\$'000
Net cash generated from operating activities	66,162	92,379	79,781	56,440
Net cash used in investing activities	(5,623)	(53,863)	(27,450)	(28,815)
Net cash used in financing activities	(48,856)	(40,287)	(48,103)	(16,203)
Net increase/(decrease) in cash and cash equivalents	11,683	(1,771)	4,228	11,422
Cash and cash equivalents at the beginning of the year	53,787	65,086	61,672	67,458
Net effect of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies	(384)	(1,643)	1,558	1,048
Cash and cash equivalents at the end of the year	65,086	61,672	67,458	79,928

Details of the cash and cash equivalents are as follows:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	S\$'000	S\$'000	S\$'000	S\$'000
Cash on hand and at banks, and short-term bank deposit	54,268	61,422	59,955	64,259
Fixed deposits	10,818	250	7,503	15,669
Cash and cash equivalents at the end of the year	65,086	61,672	67,458	79,928

Most of our cash and cash equivalents are held in US\$, S\$, JPY, RM, Euro and RMB.

(a) Net cash generated from operating activities

FYE 2021

For the FYE 2021, our Group recorded operating cash flows generated before working capital changes of S\$93.6 million. Our net cash generated from operating activities was S\$66.2 million after adjusting for, among others, the following changes in working capital and other cash outflows:

- (i) increase in trade receivables and other current assets of S\$30.0 million and increase in inventories of S\$17.0 million mainly arising from the consolidation of JEP Group's results since its commencement as our subsidiaries in April 2021; and
- (ii) income tax paid of S\$4.5 million.

The above was partially offset by the increase in trade and other payables of S\$24.0 million mainly arising from the consolidation of JEP Group's results since its commencement as our subsidiaries in April 2021 as well as higher purchases in FYE 2021 which was in tandem with the higher orders from our customers during the year and in anticipation of continuous demand uptrend from our customers.

12. FINANCIAL INFORMATION (Cont'd)

FYE 2022

For the FYE 2022, our Group recorded operating cash flows generated before working capital changes of S\$122.3 million. Our net cash generated from operating activities was S\$92.4 million after adjusting for, among others, the following changes in working capital and other cash outflows:

- (i) increase in inventories of S\$25.4 million due to higher purchases of materials to manage short-term supply chain uncertainties arising from the global shipping crisis in 2022; and
- (ii) income tax paid of S\$8.0 million.

The above was partially offset by the following cash inflows from:

- (i) decrease in trade receivables and other current assets of S\$2.2 million due to higher collection towards the end of the year as well as the decrease in down-payment to suppliers of property, plant and equipment; and
- (ii) increase in trade and other payables of S\$1.3 million in tandem with the higher purchases of materials to manage short-term supply chain uncertainties as detailed in (i) above.

FYE 2023

For the FYE 2023, our Group recorded operating cash flows generated before working capital changes of S\$86.5 million. Our net cash generated from operating activities was S\$79.8 million after adjusting for, among others, the following changes in working capital and other cash outflows:

- (i) income tax paid of S\$11.1 million;
- (ii) decrease in trade and other payables of S\$10.2 million in tandem with the lower purchases as compared to prior year in anticipation of lower sales from our semiconductor segment due to the downcycle of the global semiconductor industry; and
- (iii) increase in inventories of S\$0.5 million mainly arising from the purchases of materials.

The above was partially offset by the decrease in trade receivables and other current assets of S\$15.1 million in tandem with the lower sales in FYE 2023 as detailed in Section 12.2.2(i) of this Prospectus.

FYE 2024

For the FYE 2024, our Group recorded operating cash flows generated before working capital changes of S\$66.1 million. Our net cash generated from operating activities was S\$56.4 million after adjusting for, among others, the following changes in working capital and other cash outflows:

- (i) decrease in trade and other payables of S\$11.2 million in tandem with the lower purchases as compared to prior year in anticipation of lower sales from our semiconductor segment due to the downcycle of the global semiconductor industry;
- (ii) income tax paid of S\$8.2 million; and
- (iii) increase in inventories of S\$0.1 million mainly arising from the purchases of materials.

12. FINANCIAL INFORMATION (Cont'd)

The above was partially offset by the decrease in trade receivables and other current assets of S\$9.8 million in tandem with the lower sales in FYE 2024 as detailed in Section 12.2.2(i) of this Prospectus.

(b) Net cash used in investing activities

FYE 2021

For the FYE 2021, our Group recorded net cash used in investing activities of S\$5.6 million. Our Group's cash outflows in investing activities for the FYE 2021 is mainly due to the purchase of property, plant and equipment of S\$10.0 million which mainly comprise purchase of machineries and equipment for our production facilities at Singapore and Penang, Malaysia as well as progress payments for construction of our factory buildings at Penang, Malaysia.

Our Group's cash outflows in investing activities as detailed above was partially offset by the net cash inflow on acquisition of JEP Holdings of S\$4.4 million.

FYE 2022

For the FYE 2022, our Group recorded net cash used in investing activities of S\$53.9 million. Our Group's cash outflows in investing activities for the FYE 2022 are mainly as follows:

- (i) purchase of property, plant and equipment of S\$53.5 million which mainly comprise purchase of machineries and equipment for our production facilities at Singapore and Penang, Malaysia as well as progress payments for construction of our factory buildings at Penang, Malaysia; and
- (ii) purchase of quoted shares that are listed on the SGX of S\$1.3 million.

Our Group's cash outflows in investing activities as detailed above was marginally offset by the proceeds from the disposal of machineries of S\$0.8 million due to aging and therefore decrease in their production accuracy and efficiency.

FYE 2023

For the FYE 2023, our Group recorded net cash used in investing activities of S\$27.5 million. Our Group's cash outflows in investing activities for the FYE 2023 is mainly due to the purchase of property, plant and equipment of S\$29.7 million which mainly comprise purchase of machineries and equipment for our production facilities at Singapore and Penang, Malaysia as well as progress payments for construction of our factory buildings at Penang, Malaysia.

Our Group's cash outflows in investing activities as detailed above was partially offset by the following:

- (i) interest received on fixed deposits of S\$1.1 million; and
- (ii) proceeds from the disposal of machineries and equipment of S\$1.0 million due to aging and therefore decrease in their production accuracy and efficiency.

12. FINANCIAL INFORMATION (Cont'd)

FYE 2024

For the FYE 2024, our Group recorded net cash used in investing activities of S\$28.8 million. Our Group's cash outflows in investing activities for the FYE 2024 is mainly due to the purchase of property, plant and equipment of S\$33.4 million which mainly comprise purchase of machineries and equipment for our production facilities at Penang, Malaysia as well as progress payments for construction of the said production facilities.

Our Group's cash outflows in investing activities as detailed above was partially offset by the following:

- (i) interest received on fixed deposits of S\$2.2 million;
- (ii) proceeds from disposal of quoted shares that are listed on the SGX of S\$1.3 million; and
- (iii) proceeds from the disposal of machineries and equipment of S\$1.1 million due to aging and therefore decrease in their production accuracy and efficiency, as well as their redundancy in meeting business needs.

(c) Net cash used in financing activities

FYE 2021

For the FYE 2021, our Group recorded net cash used in financing activities of S\$48.9 million. Our Group's cash outflows from financing activities for the FYE 2021 are mainly as follows:

- (i) repayment of bank borrowings of S\$33.6 million;
- (ii) dividends paid of S\$22.7 million;
- (iii) consideration paid for acquisition of non-controlling interests of 31.5% in JEP Holdings of \$15.4 million; and
- (iv) repayment of lease liabilities of S\$1.5 million.

Our Group's cash outflows from financing activities as detailed above was partially offset by the proceeds from bank borrowings of S\$25.0 million mainly for the construction of our production facilities at Seletar Aerospace Crescent, Singapore and our working capital purpose.

FYE 2022

For the FYE 2022, our Group recorded net cash used in financing activities of S\$40.3 million. Our Group's cash outflows from financing activities for the FYE 2022 are mainly as follows:

- (i) repayment of bank borrowings of S\$40.3 million;
- (ii) dividends paid of S\$33.4 million;
- (iii) consideration paid for acquisition of non-controlling interests of 1.6% in JEP Holdings of \$2.6 million;
- (iv) repayment of lease liabilities of S\$1.8 million; and
- (v) repayment of loan from a related party, namely Yue Chee San, of S\$0.5 million.

12. FINANCIAL INFORMATION (Cont'd)

Our Group's cash outflows in financing activities as detailed above was partially offset by the following:

- (i) proceeds from bank borrowings of S\$35.9 million mainly for the construction of our production facilities at Seletar Aerospace Crescent, Singapore and our working capital purpose; and
- (ii) sale of treasury shares of S\$3.1 million.

FYE 2023

For the FYE 2023, our Group recorded net cash used in financing activities of S\$48.1 million. Our Group's cash outflows in financing activities for the FYE 2023 are mainly as follows:

- (i) dividends paid of S\$36.2 million;
- (ii) repayment of bank borrowings of S\$11.4 million;
- (iii) consideration paid for acquisition of non-controlling interests of 2.7% in JEP Holdings of \$3.7 million;
- (iv) repayment of lease liabilities of S\$1.3 million; and
- (v) repayment of loan from related parties, namely Yue Chee San and Luah Kian Tiong, of S\$0.9 million.

Our Group's cash outflows in financing activities as detailed above was partially offset by the following:

- (i) proceeds from bank borrowings of S\$4.0 million mainly for the construction of our production facilities at Seletar Aerospace Crescent, Singapore and our working capital purpose; and
- (ii) sale of treasury shares of S\$1.9 million.

FYE 2024

For the FYE 2024, our Group recorded net cash used in financing activities of S\$16.2 million. Our Group's cash outflows in financing activities for the FYE 2024 are mainly as follows:

- (i) dividends paid of S\$38.4 million;
- (ii) repayment of bank borrowings of S\$21.8 million;
- (iii) consideration paid for acquisition of non-controlling interests of 3.0% in JEP Holdings of \$4.2 million;
- (iv) payment for share issuance costs of S\$1.7 million pursuant to the Placement⁽¹⁾ (as defined herein); and
- (v) repayment of lease liabilities of S\$1.6 million.

Our Group's cash outflows in financing activities as detailed above was partially offset by the proceeds from the Placement⁽¹⁾ (as defined herein) of S\$51.6 million.

12. FINANCIAL INFORMATION (Cont'd)

Note:

- (1) Our Company had undertaken the placement of 40,000,000 new Shares at an issue price of S\$1.29 per Share which were issued and allotted on 27 February 2024 ("**Placement**"). As at the LPD, we have partially utilised the net proceeds (after deducting estimated fees and expenses of approximately S\$1.6 million for the Placement) raised from the Placement as follows:

Purposes	Allocation of net proceeds	Amount utilised	Balance
	S\$'000	S\$'000	S\$'000
Capital expenditure for the growth of our Group's business	29,950	(29,950)	-
General working capital purposes (including meeting general overheads and other operating expenses of our Group)	9,984	(9,984)	-
Future business developments through potential investments, acquisitions, joint ventures and collaborations	9,984	-	9,984
Total	49,918	(39,934)	9,984

12.4.3 Lease liabilities and bank borrowings

As at 31 December 2024, our Group's total outstanding bank borrowings and lease liabilities was S\$10.7 million, all of which were interest-bearing. The details of our bank borrowings and lease liabilities are set out below:

	Notes	As at 31 December 2024			Effective interest rate per annum %
		Payable within 12 months	Payable after 12 months	Total	
		S\$'000	S\$'000	S\$'000	
Bank borrowings	(1)	754	-	754	1.50% - 5.56%
Lease liabilities	(2)	652	9,296	9,948	3.04% - 6.70%
Total		1,406	9,296	10,702	

Gearing ratio (times) ⁽³⁾

0.02

Currency profile of total bank borrowings and lease liabilities (S\$'000):

- S\$	9,922
- RM	11
- JPY	-
- US\$	769

Notes:

- (1) Bank borrowings were mainly for our working capital purpose.
- (2) Lease liabilities were mainly for the leases of land of our Group's production facilities.
- (3) Calculated based on our total bank borrowings and lease liabilities divided by our total equity as at 31 December 2024.

12. FINANCIAL INFORMATION (Cont'd)

Save for certain lease liabilities for right-of-use assets which are not secured, the above facilities are all secured by corporate guarantee of entity within our Group and/or mortgage over our properties and assets.

As at the LPD, all of our Group's borrowings were interest bearing borrowings. Our Group has not defaulted on any payment of either principal sums and/or interest in relation to the borrowings for the Financial Periods Under Review and up to the LPD.

As at the LPD, our Group is not in breach of any terms and conditions or covenants associated with the credit arrangements or bank loans, which can materially affect the financial position and results of operations or investment holders of our securities.

As at 31 December 2024, all our Group's bank borrowings are fixed rate bank borrowings.

The maturity profile of our bank borrowings and lease liabilities as at 31 December 2024 is set out below:

	Bank borrowings	Lease liabilities	Total
	S\$'000	S\$'000	S\$'000
Not later than 1 year	754	652	1,406
Later than 1 year but within 5 years	-	2,320	2,320
Later than 5 years	-	6,976	6,976
Total	754	9,948	10,702

12.4.4 Types of financial instruments used, treasury policies and objectives

The financial instruments of our Group which are used in the ordinary course of business of our Group, from an accounting perspective, may include financial assets such as cash and bank balances, trade receivables and other current assets (excluding prepayments, advance to suppliers, down-payment to suppliers of property, plant and equipment and tax recoverable) and financial liabilities such as trade and other payables (excluding contract liabilities and deferred income), lease liabilities and bank borrowings.

Our treasury objective is to maintain sufficient working capital to finance our operations and meet our anticipated commitments arising from operational expenditure and financial liabilities, if any, by maintaining adequate liquidity and credit facilities. We manage our liquidity to ensure access to sufficient funding at acceptable costs to meet our business needs and financial obligations.

Our liquidity and funding objectives are designed to meet our funding requirements, which include primarily raw materials purchases and subcontractor charges, employee benefits expense, depreciation expense and other expenses such as utilities expense and upkeep of machinery.

We have historically relied on cash generated from our operating activities, credit extended by our vendors and bank loans. Our funding objective is to obtain the most suitable types of financing and favourable cost of funding as our financing needs arise. Bank borrowings are negotiated with a view to secure the best possible terms and rates of interest.

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12. FINANCIAL INFORMATION (Cont'd)

Our Group has exposure to foreign currency risk through revenue generated from international customers. Our Group's sales denominated in foreign currencies represented 93.9%, 94.7%, 94.8% and 95.4% of our total revenue for the Financial Periods Under Review respectively. Our Group did not enter into any forward currency contract or hedging transaction to manage exposures to currency risk for receivables and payables which are denominated in currencies other than the functional currency of our Group. However, our Group maintains a natural hedge, whenever possible, by depositing foreign currency proceeds from sales into foreign currency bank accounts which are primarily used for payments of purchases in the same currency denomination.

As at the LPD, save for the lease liabilities and bank borrowings as disclosed above, our Group does not use any other financial instruments.

12.4.5 Material capital commitment

As at the LPD, our Group's material commitments (including commitments to be incurred) for capital expenditure are as follows:

	Capital commitment
	(S\$'000)
Approved and contracted for:	
Purchase of machineries ⁽¹⁾	14,644

Note:

- (1) Comprise purchase of machineries for our factories in Singapore and Penang, Malaysia.

All material capital commitment as disclosed above will be funded via our internally-generated funds and/or bank borrowings.

12.4.6 Material litigation, claims or arbitration and contingent liabilities

(i) Material litigation, claims or arbitration

As at the LPD, our Group is not engaged in any material litigation, claim and/or arbitration, whether as plaintiff or defendant, which might and adversely affect our business or financial position, and our Directors confirm that there are no legal proceedings, pending or threatened, or of any fact to give rise to any legal proceeding which may materially and adversely affect on our business or financial position, in the 12 months immediately preceding the date of this Prospectus.

(ii) Contingent liabilities

As at the LPD, our Directors confirm that there are no material contingent liabilities incurred by our Group, which upon becoming enforceable, may have a material effect on our Group's business, financial results or position.

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12. FINANCIAL INFORMATION (Cont'd)

12.4.7 Key financial ratios

The following table sets out certain key financial ratios of our Group based on the consolidated financial statements of our Group for the Financial Periods Under Review:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Average trade receivables turnover period (days) ⁽¹⁾	49	50	56	59
Average trade payables turnover period (days) ⁽²⁾	51	54	71	69
Average inventory turnover period (days) ⁽³⁾	201	193	270	339
Current ratio (times) ⁽⁴⁾	2.5	3.1	3.6	5.4
Gearing ratio (times) ⁽⁵⁾	0.1	0.1	0.1	0.02

Notes:

- (1) Computed based on average trade receivables over the total revenue of the respective financial year multiplied by 365 days.

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Opening trade receivables (S\$'000)	20,450	52,337	49,970	42,053
Closing trade receivables (S\$'000)	52,337	49,970	42,053	36,020
Revenue (S\$'000)	271,220	372,389	299,907	242,115
Average trade receivables turnover period (days)	49	50	56	59

- (2) Computed based on average trade payables over the total purchases of the respective financial year multiplied by 365 days.

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Opening trade payables (S\$'000)	9,555	26,005	31,055	21,090
Closing trade payables (S\$'000)	26,005	31,055	21,090	17,836
Purchases (S\$'000)	128,473	193,000	133,539	102,652
Average trade payables turnover period (days)	51	54	71	69

- (3) Computed based on average inventory over the total cost of inventories sold of the respective financial year multiplied by 365 days.

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Opening inventories (S\$'000)	53,938	87,110	110,666	110,760
Closing inventories (S\$'000)	87,110	110,666	110,760	109,171
Cost of inventories sold (S\$'000)	128,136	186,637	149,639	118,517
Average inventory turnover period (days)	201	193	270	339

- (4) Computed based on current assets over current liabilities as at the respective financial year end.

- (5) Computed based on the total bank borrowings and lease liabilities over total equity as at the respective financial year end.

12. FINANCIAL INFORMATION (Cont'd)

12.4.8 Trade receivables

All our Group's trade receivables are classified as current assets. The normal credit terms granted by our Group ranges from 30 to 90 days from the date of invoice. It is our Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Our credit terms to customers are assessed and approved on a case-by-case basis taking into consideration various factors such as relationship with the customers, payment history, customer's creditworthiness, quantum of amount owing to us, and any reasons behind the customers' failure to pay within the normal credit period (if applicable).

We use ageing analysis to monitor the credit quality of our trade receivables. In addition, our management assesses our trade receivables individually as to their aging condition and collectability. Among the factors considered in determining whether to provide for impairment losses include, significant financial difficulty of the issuer or the borrower and a breach of contract, such as a default of past due event. Our management will also take necessary actions which include entering into negotiations/ settlement arrangements with the relevant parties to recover the amounts outstanding.

FYE 2021

Our Group's average trade receivables turnover for FYE 2021 of 49 days falls within the normal credit terms granted to our customers.

FYE 2022

Our Group's average trade receivables turnover for FYE 2022 of 50 days falls within the normal credit terms granted to our customers.

FYE 2023

Notwithstanding the increase from 50 days for FYE 2022, our Group's average trade receivables turnover of 56 days for FYE 2023 falls within the normal credit terms granted to our customers.

FYE 2024

Notwithstanding the increase from 56 days for FYE 2023, our Group's average trade receivables turnover of 59 days for FYE 2024 falls within the normal credit terms granted to our customers.

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12. FINANCIAL INFORMATION (Cont'd)

Our Group's trade receivable ageing analysis as at 31 December 2024 is as follows:

		Within credit period	Exceed credit period (past due days)				Total
			1 – 30	31 – 60	61 – 90	More than 90 days	
Trade receivables (S\$'000)	[A]	27,827	4,089	1,981	399	1,793	36,089
Less: Allowance for impairment (S\$'000)	[B]	-	-	-	-	(69)	(69)
Net trade receivables (S\$'000)	[C] = [A] – [B]	27,827	4,089	1,981	399	1,724	36,020
Proportion of total net trade receivables (%)		77.3	11.3	5.5	1.1	4.8	100.0
Subsequent collections up to the LPD (S\$'000)	[D]	27,347	4,031	1,927	396	465	34,166
Outstanding net trade receivables as at the LPD (S\$'000)	[E] = [C] – [D]	480	58	54	3	1,259	1,854
% net outstanding trade receivables as at the LPD over total net trade receivables		1.3	0.2	0.1	Neg	3.5	5.1

Note:

Neg Negligible, being less than 0.1%.

As at 31 December 2024, approximately S\$8.2 million or 22.7% of our Group's trade receivables exceeded the normal credit period mainly due to temporary delays in payment from certain customers, of which S\$6.8 million was subsequently collected by our Group up to the LPD. The remaining S\$1.4 million which has yet to be collected as at the LPD mainly arises from delay in payment from a customer of KEPL due to some defects in our products, which are expected to be rectified by September 2025.

12. FINANCIAL INFORMATION (Cont'd)

12.4.9 Trade payables

All our Group's trade payables are classified as current liabilities. The average credit terms granted by our suppliers is approximately 60 days.

FYE 2021

Our Group's average trade payables turnover for FYE 2021 of 51 days is within the normal credit terms granted by our suppliers.

FYE 2022

Our Group's average trade payables turnover increased from 51 days for FYE 2021 to 54 days for FYE 2022, which is within the normal credit terms granted by our suppliers.

FYE 2023

Our Group's average trade payables turnover increased from 54 days for FYE 2022 to 71 days for FYE 2023, which exceeded the normal credit terms granted by our suppliers mainly due to our lower purchases in FYE 2023 as compared to FYE 2022 which is in tandem with our lower sales in FYE 2023.

FYE 2024

Our Group's average trade payables turnover decreased from 71 days for FYE 2023 to 69 days for FYE 2024, which exceeded the normal credit terms granted by our suppliers as we paid our suppliers on a timely basis following collection from trade receivables in FYE 2024.

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12. FINANCIAL INFORMATION (Cont'd)

Our Group's trade payable ageing analysis as at 31 December 2024 is as follows:

		Within credit period	Exceed credit period (past due days)				Total
			1 - 30	31 - 60	61 - 90	Over 90	
Trade payables (S\$'000)	[A]	10,631	3,400	1,657	350	1,798	17,836
Proportion of total trade payables (%)		59.6	19.1	9.3	1.9	10.1	100.0
Subsequent payment up to the LPD (S\$'000)	[B]	10,039	3,264	1,351	298	1,134	16,086
Outstanding trade payables as at the LPD (S\$'000)	[C] = [A] – [B]	592	136	306	52	664	1,750
% of outstanding trade payables as at the LPD over total trade payables		3.3	0.8	1.7	0.3	3.7	9.8

As at 31 December 2024, approximately S\$7.2 million or 40.4% of our Group's trade payables exceeded the normal credit period, of which S\$6.0 million was paid by our Group up to the LPD. There are approximately S\$0.6 million which has been outstanding for more than 90 days and yet to be paid as at the LPD as our Group is in the midst of finalising certain details of payment with our supplier. The said outstanding amount is expected to be settled by August 2025.

We do not have any material disputes in respect of our trade payables and no material legal proceedings demanding for payment have been initiated against us by our suppliers.

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12. FINANCIAL INFORMATION (Cont'd)

12.4.10 Inventories

All our Group's inventories are classified as current assets. Our inventories comprise raw materials, work-in-progress and finished goods and goods for resale.

FYE 2021

Our Group's average inventory turnover period of 201 days for FYE 2021.

FYE 2022

Our Group's average inventory turnover decreased from 201 days for FYE 2021 to 193 days for FYE 2022 mainly due to higher cost of inventories sold in tandem with higher sales in FYE 2022 largely contributed by our semiconductor segment as a result of higher demand from our customers as well as the higher sales from our aerospace and others segments as detailed in Section 12.2.2(i) of this Prospectus.

FYE 2023

Our Group's average inventory turnover increased from 193 days for FYE 2022 to 270 days for FYE 2023 mainly due to lower cost of inventories sold in tandem with the lower sales in FYE 2023, particularly from our semiconductor and others segments amid the slowdown of the global semiconductor industry during the year as detailed in Section 12.2.2(i) of this Prospectus.

FYE 2024

Our Group's average inventory turnover increased from 270 days for FYE 2023 to 339 days for FYE 2024 mainly due to lower cost of inventories sold in tandem with the lower sales in FYE 2024, in particular from our semiconductor and others segments amid the slowdown of the global semiconductor industry during the year as detailed in Section 12.2.2(i) of this Prospectus.

Our Group's inventory ageing analysis as at 31 December 2024 is as follows:

	1 – 30 days	31 – 60 days	61 – 90 days	Over 90 days but less than 1 year	More than 1 year	Total
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Raw materials	25,124	4,761	1,535	9,237	2,283 ⁽¹⁾	42,940
Work-in-progress	23,662	4,138	2,310	4,719	3,143 ⁽²⁾	37,972
Finished goods and goods for resale	10,225	3,192	1,212	6,244	7,386 ⁽³⁾	28,259
Total	59,011	12,091	5,057	20,200	12,812	109,171

Notes:

- (1) Comprising mainly aluminium inventories which are saleable for our distribution business and steel inventories for our aerospace segment.
- (2) Comprising mainly precision machined parts which will be used for further manufacturing process prior to the delivery to our customers for our semiconductor segment.
- (3) Comprising mainly finished aluminium inventories which are ready to be distributed and delivered to our customers for our distribution business, S\$1.1 million of which have been sold as at the LPD.

12. FINANCIAL INFORMATION (Cont'd)

We perform annual review on our inventories to assess the provision for slow moving inventories. We have made allowance for inventories obsolescence during the Financial Periods Under Review as follows:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Allowance for inventories obsolescence (S\$'000)	404	647	328	1,684

Inventories are written down whenever the net realisable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. We have written down inventories of S\$3.3 million in FYE 2021 mainly due to the parts which are no longer useable due to distinct specifications and obsolete. There were no inventories written down in FYE 2022, FYE 2023 and FYE 2024.

12.4.11 Current ratio

The table below sets forth a summary of our Group's current ratio for the Financial Periods Under Review:

	As at 31 December			
	2021	2022	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Current assets	219,695	253,195	235,043	245,823
Current liabilities	89,413	82,249	65,948	45,481
Current ratio (times)	2.5	3.1	3.6	5.4

Our Group's current ratio increased from 2.5 times as at 31 December 2021 to 3.1 times as at 31 December 2022. This was mainly due to the increase in current assets as a result of increase in our inventories of S\$23.6 million in FYE 2022.

Our Group's current ratio increased from 3.1 times as at 31 December 2022 to 3.6 times as at 31 December 2023. This was mainly due to the proportion of decrease in current liabilities (i.e. from S\$82.2 million as at 31 December 2022 to S\$65.9 million as at 31 December 2023, translating to a decrease of S\$16.3 million) which was lower than the proportion of decrease in current assets (i.e. from S\$253.2 million as at 31 December 2022 to S\$235.0 million as at 31 December 2023, translating to a decrease of S\$18.2 million).

Our Group's current ratio increased from 3.6 times as at 31 December 2023 to 5.4 times as at 31 December 2024. This was mainly due to the decrease in current liabilities as a result of decrease in our trade and other payables and short-term bank borrowings of S\$10.0 million and S\$6.0 million respectively in FYE 2024.

12.4.12 Gearing ratio

The table below sets forth a summary of our Group's gearing ratio for the Financial Periods Under Review:

		As at 31 December			
		2021	2022	2023	2024
		S\$'000	S\$'000	S\$'000	S\$'000
Bank borrowings		34,286	29,910	22,541	754
Lease liabilities		11,338	10,187	9,931	9,948
Total lease liabilities and bank borrowings	[A]	45,624	40,097	32,472	10,702
Total equity	[B]	304,274	368,368	386,926	443,919
Gearing ratio (times)	[A] / [B]	0.1	0.1	0.1	0.02

12. FINANCIAL INFORMATION (Cont'd)

Our Group's gearing ratio remained relatively constant at 0.1 times as at 31 December 2021, 2022 and 2023.

Our Group's gearing ratio decreased to 0.02 times as at 31 December 2024 mainly due to the repayment of our bank borrowings, which was funded via our Group's internally-generated funds and proceeds from the Placement.

12.5 CAPITALISATION AND INDEBTEDNESS

The table below sets out our Group's capitalisation and indebtedness based on the unaudited management account as at 2 May 2025. There are no fund-raising exercises to be undertaken in conjunction with the Secondary Listing.

	Unaudited
	As at
	2 May 2025
	S\$'000
<u>Indebtedness</u>	
Current	
<i>Secured and guaranteed</i>	
Bank borrowings	325
<i>Unsecured and unguaranteed</i>	
Lease liabilities	650
	975
Non-current	
<i>Unsecured and unguaranteed</i>	
Lease liabilities	9,282
Total borrowings	10,257
Total banker's guarantees	1,182
Total indebtedness	11,439
<u>Capitalisation</u>	
Share capital	186,541
Total capitalisation	186,541
Total capitalisation and indebtedness	197,980

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12. FINANCIAL INFORMATION (Cont'd)

12.6 ACCOUNTING POLICIES AND AUDIT QUALIFICATION

There are no accounting policies which are peculiar to our Group because of the nature of the business and industry which we are involved in. For further details on the material accounting policies of our Group, see Note 4 to the Accountants' Report as set out in Section 13 of this Prospectus. The Accountants' Report did not contain any audit qualification for the Financial Periods Under Review.

12.7 IMPACT OF GOVERNMENT, ECONOMIC, FISCAL OR MONETARY POLICIES

There were no government, economic, fiscal or monetary policies or factors which have materially affected our financial performance during the Financial Periods Under Review.

There is no assurance that our financial performance will not be adversely affected by any unfavourable changes to government, economic, fiscal or monetary policies in Singapore and in countries which we operate. Further details on risks relating to government, economic, fiscal or monetary policies or factors which may materially affect our operations are set out in Section 5.2.2 of this Prospectus.

12.8 IMPACT OF INFLATION

Our Group is of the view that the current inflation rate does not have a material impact on our business, financial condition or results of our operation during Financial Periods Under Review. However, any significant increase in inflation rate may adversely affect our Group's operations and financial performance if we are unable to pass on the increase in costs to our customers by increasing our selling prices.

12.9 IMPACT OF FOREIGN EXCHANGE RATES AND/OR INTEREST RATES

12.9.1 Impact of foreign exchange rates

Our reporting currency is in S\$. We are exposed to currency exchange risk on sales which are denominated in foreign currencies, namely US\$, RM, JPY, RMB and Euro. As at the LPD, we do not undertake any hedging of foreign currencies. As such, any significant fluctuations in these foreign exchange rates may affect our Group's financial performance.

The impact of the changes to the foreign exchange rates on our Group's revenue for the Financial Periods Under Review are as detailed below:

Revenue denominated in respective currencies (S\$'000)						
	FYE 2022 vs FYE 2021		FYE 2023 vs FYE 2022		FYE 2024 vs FYE 2023	
	Based on the average exchange rate for FYE 2022	Based on the average exchange rate for FYE 2021	Based on the average exchange rate for FYE 2023	Based on the average exchange rate for FYE 2022	Based on the average exchange rate for FYE 2024	Based on the average exchange rate for FYE 2023
RM	6,113	6,318	4,586	4,876	4,159	4,211
S\$	19,739	19,739	15,534	15,534	12,456	12,456
US\$	340,662	331,539	275,789	282,722	223,052	224,774
Euro	227	248	60	61	98	98
RMB	2,216	2,238	1,442	1,561	454	464
JPY	3,432	3,982	2,496	2,756	1,896	2,045
Total	372,389	364,064	299,907	307,510	242,115	244,048
Fluctuation		2.3%		-2.5%		-0.8%

12. FINANCIAL INFORMATION (Cont'd)

Details of the risk of the foreign exchange fluctuation risks to our business and operations is set out in Section 5.1.5 of this Prospectus.

12.9.2 Impact of interest rates

All our bank borrowings and lease liabilities are interest-bearing obligations. Any increase in interest rates would adversely affect our financial performance. Our finance expense mainly comprises interest charges on bank borrowings and lease liabilities. As at 31 December 2024, our Group's bank borrowings and lease liabilities were S\$10.7 million, all of which are fixed rate bank borrowings.

Any significant increase in interest rates would raise the cost of our bank borrowings and lease liabilities (i.e., finance expense), which may have an adverse effect on the financial performance of our Group. During the Financial Periods Under Review, our financial performance has not been materially affected by fluctuations in interest rates.

12.10 TREND ANALYSIS

Save as disclosed in this Section and in Sections 5, 7 and 8 of this Prospectus, to the best of our Board's knowledge and belief, there are no other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our Group's financial condition and results of operations.

12.11 ORDER BOOK

As at the LPD, our unbilled orders for the remaining FYE 2025 and FYE 2026 stood at approximately S\$310.6 million. The details of our unbilled orders and the estimated timing of recognition are as summarised as follows:

Unbilled orders	Total	FYE 2025		FYE 2026	
	S\$'000	S\$'000	%	S\$'000	%
Confirmed purchase order	93,162	68,667	39.1	24,495	18.1
Indicative purchase order ⁽¹⁾	217,413	106,772	60.9	110,641	81.9
Total	310,575	175,439	100.0	135,136	100.0

Note:

- (1) The indicative purchase orders are based on rolling forecast order provided by our customers and are subject to variation or cancellation.

12.12 SIGNIFICANT CHANGES

There have been no other significant changes that have occurred which may have a material effect on the financial position and results of our Group subsequent to the FYE 2024 up to the LPD.

12. FINANCIAL INFORMATION (Cont'd)

12.13 DIVIDEND POLICY

It is our Board's policy to recommend dividends to allow our shareholders to participate in the profits of our Group. However, our ability to pay dividends or make other distributions to our shareholders in the future years is subject to various factors such as having profits and excess funds, which are not required to be retained to fund our business.

Our Board will consider, among others, our Group's future financial performance, cash flows, capital expenditure and working capital requirements, future expansion and investment plans when recommending dividends for approval by our shareholders or when declaring any interim dividends.

The payment and amount of any dividends or distributions to our shareholders will be at the discretion of our Board and will depend on factors stated above (which may not be exhaustive). There is no assurance as to whether the dividend distribution will occur as intended, the amount of dividend payment or timing of such payment.

Further to our Constitution, our Company may, subject to the approval of our shareholders by ordinary resolution, declare dividends but no such dividend shall exceed the amount recommended by our Board. In addition, if the profits of our Company justify such payments, our Directors may declare and pay fixed dividends expressed to be payable on fixed dates on the half-yearly or other dates prescribed for payment and may also from time to time declare and pay to our shareholders such interim dividends as they think fit. Further, under the SCA and our Constitution, our Company may not pay dividends to our shareholders except out of profits.

Our Company has adopted a dividend policy since 15 May 2012 to declare dividends on a quarterly basis. However, it is not a legally binding obligation or guaranteed commitment to the shareholders.

As our Company is a holding company, our income and therefore, our ability to pay dividends is dependent upon the dividends that we receive from our subsidiaries. Distributions by our subsidiaries will depend upon their operating results, earnings, capital requirements, general financial condition and other relevant factors including exchange controls. There are no dividend restrictions imposed on our subsidiaries. In addition, there are no legal, financial or economic restrictions on the ability of our foreign subsidiaries to repatriate funds in the form of cash dividend, loans or advances to us. Further details on the relevant policies on foreign investments, taxation and foreign exchange control in Malaysia are set out in Section 14.5 of this Prospectus.

For the Financial Periods Under Review, dividends declared by our Company were as follows:

		FYE 2021	FYE 2022	FYE 2023	FYE 2024
		S\$'000	S\$'000	S\$'000	S\$'000
PAT attributable to owners of the Company	[A]	53,103	98,169	59,984	40,607
Dividends declared	[B]	30,673	33,460	38,430	36,948
Dividend payout ratio (%)	[B] / [A]	57.8	34.1	64.1	91.0
Dividends paid		22,671	33,385	36,209	38,369
Dividends payable as at 31 December		- (1)	- (2)	- (3)	- (4)
No. of issued Shares as at 31 December ('000)	[C]	670,536	670,536	670,536	710,536
Dividend per Share (cents)	[B] / [C]	4.6	5.0	5.7	5.2

12. FINANCIAL INFORMATION (Cont'd)

Notes:

- (1) In addition to the dividend of S\$17.3 million which was declared for and paid during FYE 2021, we had on 28 February 2022 declared dividend for FYE 2021 of S\$13.3 million which was paid on 20 May 2022.
- (2) In addition to the dividend of S\$20.0 million which was declared for and paid during FYE 2022, we had on 28 February 2023 declared dividend for FYE 2022 of S\$13.4 million which was paid on 22 May 2023.
- (3) In addition to the dividend of S\$22.8 million which was declared for and paid during FYE 2023, we had on 28 February 2024 declared dividend for FYE 2023 of S\$15.6 million which was paid on 23 May 2024.
- (4) In addition to the dividend of S\$22.7 million which was declared for and paid during FYE 2024, we had on 28 February 2025 declared dividend for FYE 2024 of S\$14.2 million which was paid on 23 May 2025.

As at the LPD, our Company had declared a dividend of S\$7.1 million on 9 May 2025 for FYE 2025 which will be paid on 24 July 2025 and will be funded via our Group's internally-generated funds from our operations.

As at the LPD, save for the foregoing, there are no dividends which have been declared by our Company but not paid.

No inference should or can be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future.

Kindly refer to Sections 5.3.3 and 5.3.4 of this Prospectus for risks relating to payment of dividends.

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13. ACCOUNTANTS' REPORT

UMS INTEGRATION LIMITED

(Formerly known as UMS Holdings Limited)

(Incorporated in Singapore under the Companies Act 1967 of Singapore)

(Singapore Company Registration No. 200100340R)

(Registered as a foreign company in Malaysia under the Companies Act 2016)

(Malaysian Foreign Company Registration No. 202402000027 (995911-D))

**ACCOUNTANTS' REPORT ON
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2021, 2022, 2023 AND 2024**

13. ACCOUNTANTS' REPORT (Cont'd)



Moore Stephens Associates PLT
[301304000572 (LLP0000963-LCA)]

Chartered Accountants (AF002096)
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Date: 3 June 2025

The Board of Directors
UMS Integration Limited
(Formerly known as UMS Holdings Limited)
23 Changi North Crescent
Singapore 499616

Dear Sirs,

REPORTING ACCOUNTANTS' OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS CONTAINED IN THE ACCOUNTANTS' REPORT OF UMS INTEGRATION LIMITED ("UMS" OR THE "COMPANY")

Opinion

We have audited the consolidated financial statements of the Company and its subsidiaries (collectively known as the "Group"), which comprise the consolidated statements of financial position as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024, and the consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the financial years then ended, and notes to the consolidated financial statements, including material accounting policy information, as set out on pages 4 to 80. The historical consolidated financial statements of the Group have been prepared for inclusion in the prospectus of the Company in connection with the secondary listing of and quotation for the entire issued and paid-up share capital by way of introduction on the Main Market of Bursa Malaysia Securities Berhad ("Secondary Listing") and for no other purposes.

In our opinion, the accompanying consolidated financial statements of the Group give a true and fair view of the financial position of the Group as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024, and of their financial performances and cash flows for the financial years then ended in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") which is equivalent to International Financial Reporting Standards ("IFRSs") and paragraph 10.05 of Chapter 10, Part II Division I: Equity of the Prospectus Guidelines as issued by the Securities Commission Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Reporting Accountants' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

13. ACCOUNTANTS' REPORT (Cont'd)



Responsibilities of the Directors for the Consolidated Financial Statements

The Directors of the Company are responsible for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with SFRS(I)s which is equivalent to IFRSs. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements of the Group, the Directors are 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 the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Reporting Accountants' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a 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 approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements of the Group, 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 the Directors.
- Conclude on the appropriateness of the Directors' 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 report to the related disclosures in the consolidated 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 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 consolidated financial statements of the Group, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. ACCOUNTANTS' REPORT (Cont'd)



- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements of the Group. 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.

Other Reporting Responsibility

In accordance with paragraph 10.05 of Chapter 10, Part II Division 1: Equity of the Prospectus Guidelines as issued by the Securities Commission Malaysia, no significant subsequent events have come to our attention since 31 December 2024, the reporting date of the most recent audited consolidated financial statements to the date of this report, that would require a material disclosure or adjustment to be made to the consolidated financial statements.

Restriction on Distribution and Use

This report is made solely to the Company for inclusion in the Company's prospectus in connection with the Secondary Listing. As such, this report should not be used for any other purpose without our prior written consent. Neither the firm nor any member of employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

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MOORE STEPHENS ASSOCIATES PLT
201304000972 (LLP0000963-LCA)
Chartered Accountants (AF002096)

Penang

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THAM SHIEN HONG
03266/04/2027 J
Chartered Accountant

13. ACCOUNTANTS' REPORT (Cont'd)

UMS INTEGRATION LIMITED
(Formerly known as UMS Holdings Limited)
(Incorporated in Singapore)

CONSOLIDATED INCOME STATEMENTS FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2021, 31 DECEMBER 2022, 31 DECEMBER 2023 AND 31 DECEMBER 2024

	Note	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Revenue	6	271,220	372,389	299,907	242,115
Changes in inventories		16,373	25,312	2,207	(1,589)
Raw material purchases and subcontractor charges		(144,509)	(211,949)	(151,846)	(116,928)
Employee benefits expense	7	(35,261)	(42,102)	(38,417)	(35,797)
Depreciation expense	18,19,20	(12,425)	(15,611)	(17,927)	(19,799)
Amortisation of intangible assets	23	(200)	(300)	(300)	(300)
Other expenses	8	(16,795)	(21,594)	(24,455)	(25,105)
Other credits/(charges)	9	1,385	(2,038)	(884)	2,645
Finance income	10	184	230	1,149	2,208
Finance expense	11	(934)	(1,121)	(933)	(679)
Share of profit of associate		361	-	-	-
Profit before income tax		<u>79,399</u>	<u>103,216</u>	<u>68,501</u>	<u>46,771</u>
Income tax	12	(21,817)	(1,241)	(7,314)	(5,195)
Net profit for the year		<u><u>57,582</u></u>	<u><u>101,975</u></u>	<u><u>61,187</u></u>	<u><u>41,576</u></u>
Profit attributable to:					
Owners of the Company		53,103	98,169	59,984	40,607
Non-controlling interests		4,479	3,806	1,203	969
Total		<u><u>57,582</u></u>	<u><u>101,975</u></u>	<u><u>61,187</u></u>	<u><u>41,576</u></u>
Earnings per share					
- Basic (cents)	13	7.96	14.71	8.95	5.74
- Diluted (cents)	13	<u>7.96</u>	<u>14.71</u>	<u>8.95</u>	<u>5.74</u>

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

13. ACCOUNTANTS' REPORT (Cont'd)

UMS INTEGRATION LIMITED
(Formerly known as UMS Holdings Limited)
(Incorporated in Singapore)

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE
FINANCIAL YEARS ENDED 31 DECEMBER 2021, 31 DECEMBER 2022, 31 DECEMBER 2023
AND 31 DECEMBER 2024**

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Net profit for the year	57,582	101,975	61,187	41,576
Other comprehensive (loss)/income, net of income tax:				
<i>Items that may be classified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations	(938)	(4,948)	(4,619)	8,036
Total comprehensive income for the year	<u>56,644</u>	<u>97,027</u>	<u>56,568</u>	<u>49,612</u>
Total comprehensive income attributable to:				
Owners of the Company	52,121	93,020	55,335	48,724
Non-controlling interests	4,523	4,007	1,233	888
	<u>56,644</u>	<u>97,027</u>	<u>56,568</u>	<u>49,612</u>

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

13. ACCOUNTANTS' REPORT (Cont'd)

UMS INTEGRATION LIMITED
(Formerly known as UMS Holdings Limited)
(Incorporated in Singapore)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021, 31 DECEMBER 2022, 31 DECEMBER 2023 AND 31 DECEMBER 2024

	Note	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
ASSETS					
Current assets					
Cash and bank balances	14	65,086	61,672	67,458	79,928
Trade receivables and other current assets	15	67,177	79,890	56,239	56,724
Financial assets through profit or loss	16	322	967	586	-
Inventories	17	87,110	110,666	110,760	109,171
Total current assets		<u>219,695</u>	<u>253,195</u>	<u>235,043</u>	<u>245,823</u>
Non-current assets					
Property, plant and equipment	18	112,115	135,428	152,719	165,986
Right-of-use assets	19	14,660	10,952	9,915	9,345
Investment property	20	1,657	1,497	1,368	-
Intangible assets	23	88,551	88,251	87,951	87,651
Deferred tax assets	12	76	97	169	162
Total non-current assets		<u>217,059</u>	<u>236,225</u>	<u>252,122</u>	<u>263,144</u>
TOTAL ASSETS		<u>436,754</u>	<u>489,420</u>	<u>487,165</u>	<u>508,967</u>
LIABILITIES AND EQUITY					
Current liabilities					
Bank borrowings	24	11,601	11,549	6,790	754
Trade and other payables	25	56,079	57,947	49,646	39,600
Loan from related parties	24	1,403	909	-	-
Lease liabilities	26	1,179	761	1,932	652
Income tax payable		19,151	11,083	7,580	4,475
Total current liabilities		<u>89,413</u>	<u>82,249</u>	<u>65,948</u>	<u>45,481</u>
Non-current liabilities					
Bank borrowings	24	22,685	18,361	15,751	-
Lease liabilities	26	10,159	9,426	7,999	9,296
Deferred tax liabilities	12	9,818	10,611	10,136	9,866
Long-term provision	27	405	405	405	405
Total non-current liabilities		<u>43,067</u>	<u>38,803</u>	<u>34,291</u>	<u>19,567</u>
Total liabilities		<u>132,480</u>	<u>121,052</u>	<u>100,239</u>	<u>65,048</u>

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

13. ACCOUNTANTS' REPORT (Cont'd)

UMS INTEGRATION LIMITED
(Formerly known as UMS Holdings Limited)
(Incorporated in Singapore)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021, 31 DECEMBER 2022, 31 DECEMBER 2023 AND 31 DECEMBER 2024

	Note	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Capital and reserves					
Share capital	28	136,623	136,623	136,623	186,541
Treasury shares	29	(2,064)	(891)	(145)	(145)
Reserves	30	(11,665)	(16,814)	(21,471)	(13,354)
Retained earnings		156,009	221,552	244,830	245,204
		<u>278,903</u>	<u>340,470</u>	<u>359,837</u>	<u>418,246</u>
Non-controlling interests	21	<u>25,371</u>	<u>27,898</u>	<u>27,089</u>	<u>25,673</u>
Total equity		<u>304,274</u>	<u>368,368</u>	<u>386,926</u>	<u>443,919</u>
Total liabilities and equity		<u>436,754</u>	<u>489,420</u>	<u>487,165</u>	<u>508,967</u>

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

13. ACCOUNTANTS' REPORT (Cont'd)

UMS INTEGRATION LIMITED
(Formerly known as UMS Holdings Limited)
(Incorporated in Singapore)

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2021, 31 DECEMBER 2022, 31 DECEMBER 2023 AND 31 DECEMBER 2024**

	Attributable to owners of the Company						
			Non-distributable	Distributable			
	Share capital	Treasury shares	Foreign exchange translation reserve	Retained earnings	Total	Non-controlling interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2021	136,623	(1,919)	(10,683)	127,265	251,286	1,663	252,949
Net profit for the year	-	-	-	53,103	53,103	4,479	57,582
Other comprehensive (loss)/income	-	-	-	-	-	-	-
- Exchange differences on translation of foreign operations	-	-	(982)	-	(982)	44	(938)
Total comprehensive (loss)/income for the year	-	-	(982)	53,103	52,121	4,523	56,644
Purchase of treasury shares (Note 29)	-	(145)	-	-	(145)	-	(145)
Dividends (Note 31)	-	-	-	(22,671)	(22,671)	-	(22,671)
Effect on non-controlling interests on acquisition of a subsidiary	-	-	-	(1,688)	(1,688)	19,185	17,497
At 31 December 2021/At 1 January 2022	136,623	(2,064)	(11,665)	156,009	278,903	25,371	304,274
Net profit for the year	-	-	-	98,169	98,169	3,806	101,975
Other comprehensive (loss)/income	-	-	-	-	-	-	-
- Exchange differences on translation of foreign operations	-	-	(5,149)	-	(5,149)	201	(4,948)
Total comprehensive (loss)/income for the year	-	-	(5,149)	98,169	93,020	4,007	97,027
Sale of treasury shares (Note 29)	-	1,173	-	1,883	3,056	-	3,056
Dividends (Note 31)	-	-	-	(33,385)	(33,385)	-	(33,385)
Acquisition of non-controlling interests	-	-	-	(1,124)	(1,124)	(1,480)	(2,604)
At 31 December 2022/At 1 January 2023	136,623	(891)	(16,814)	221,552	340,470	27,898	368,368
Net profit for the year	-	-	-	59,984	59,984	1,203	61,187
Other comprehensive (loss)/income	-	-	-	-	-	-	-
- Exchange differences on translation of foreign operations	-	-	(4,657)	8	(4,649)	30	(4,619)
Total comprehensive (loss)/income for the year	-	-	(4,657)	59,992	55,335	1,233	56,568
Sale of treasury shares (Note 29)	-	746	-	1,146	1,892	-	1,892
Dividends (Note 31)	-	-	-	(36,209)	(36,209)	-	(36,209)
Acquisition of non-controlling interests	-	-	-	(1,651)	(1,651)	(2,042)	(3,693)
At 31 December 2023/At 1 January 2024	136,623	(145)	(21,471)	244,830	359,837	27,089	386,926
Net profit for the year	-	-	-	40,607	40,607	969	41,576
Other comprehensive income/(loss)	-	-	-	-	-	-	-
- Exchange differences on translation of foreign operations	-	-	8,117	-	8,117	(81)	8,036
Total comprehensive income for the year	-	-	8,117	40,607	48,724	888	49,612
Dividends (Note 31)	-	-	-	(38,369)	(38,369)	-	(38,369)
Acquisition of non-controlling interests	-	-	-	(1,864)	(1,864)	(2,304)	(4,168)
Issuance of ordinary shares (Note 28)	51,600	-	-	-	51,600	-	51,600
Share issuance costs (Note 28)	(1,682)	-	-	-	(1,682)	-	(1,682)
At 31 December 2024	186,541	(145)	(13,354)	245,204	418,246	25,673	443,919

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

13. ACCOUNTANTS' REPORT (Cont'd)

UMS INTEGRATION LIMITED
(Formerly known as UMS Holdings Limited)
(Incorporated in Singapore)

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2021, 31 DECEMBER 2022, 31 DECEMBER 2023 AND 31 DECEMBER 2024

	Note	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Cash flows from operating activities					
Profit before income tax		79,399	103,216	68,501	46,771
Adjustments for:					
Allowance for inventories obsolescence	9	404	647	328	1,684
Allowance for non-trade debts	9	-	-	6	-
Allowance for project loss	9	729	-	-	-
Allowance for trade debts	9	-	-	-	8
Amortisation of intangible assets	23	200	300	300	300
Bad debts written off (trade)	9	37	-	-	-
Depreciation expense	18,19,20	12,425	15,611	17,927	19,799
Fair value adjustment on inventories arising from acquisition of a subsidiary	9	2,000	1,500	586	-
Fair value (gain)/loss on financial assets through profit and loss	9	(7)	698	252	-
Gain on disposal of financial assets through profit and loss	9	-	-	-	(726)
Gain on disposal of property, plant and equipment	9	(7)	(213)	(691)	(220)
Interest expense	11	934	1,121	933	679
Interest income	10	(184)	(230)	(1,149)	(2,208)
Inventories written down	9	3,303	-	-	-
Loss on deemed disposal of an associate	9	2,015	-	-	-
Property, plant and equipment written off	9	19	2	3	32
Share of profit of associate		(361)	-	-	-
Unrealised foreign exchange (gain)/loss		(226)	3	(1)	-
Waiver of loans from a related party	9	(3,904)	-	-	-
Write-back of allowance for non-trade debts	9	(13)	-	-	(7)
Write-back of allowance for project loss	9	-	-	(497)	-
Write-back of allowance for trade debts	9	-	(96)	-	-
Write-back of inventories obsolescence	9	(3,130)	(267)	-	-
Operating cash flows before working capital		93,633	122,292	86,498	66,112
Changes in working capital:					
Trade receivables and other current assets		(29,966)	2,192	15,104	9,834
Inventories		(17,001)	(25,436)	(510)	(95)
Trade and other payables		23,966	1,294	(10,168)	(11,173)
Cash generated from operations		70,632	100,342	90,924	64,678
Income tax paid		(4,470)	(7,963)	(11,143)	(8,238)
Net cash generated from operating activities carried forward		66,162	92,379	79,781	56,440

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

13. ACCOUNTANTS' REPORT (Cont'd)

UMS INTEGRATION LIMITED
(Formerly known as UMS Holdings Limited)
(Incorporated in Singapore)

**CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2021, 31 DECEMBER 2022, 31 DECEMBER 2023 AND 31 DECEMBER 2024**

	Note	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Net cash generated from operating activities brought forward		66,162	92,379	79,781	56,440
Cash flows from investing activities					
Proceeds from disposal of property, plant and equipment	(i)	183	770	985	1,124
Purchase of property, plant and equipment	(ii)	(9,977)	(53,520)	(29,681)	(33,434)
(Purchase)/Disposal of financial assets through profit and loss	16	(315)	(1,343)	129	1,312
Improvement to investment property	20	(65)	-	(32)	(25)
Interest received		184	230	1,149	2,208
Net cash inflow on acquisition of a subsidiary	21	4,367	-	-	-
Net cash used in investing activities		<u>(5,623)</u>	<u>(53,863)</u>	<u>(27,450)</u>	<u>(28,815)</u>
Cash flows from financing activities					
Proceeds from bank borrowings	(iii)	25,000	35,917	4,000	-
Repayment of bank borrowings		(33,634)	(40,318)	(11,371)	(21,787)
Interest paid	(iii), 11	(489)	(623)	(476)	(180)
	(iii)	(34,123)	(40,941)	(11,847)	(21,967)
Payment of lease liabilities		(1,105)	(1,338)	(880)	(1,118)
Interest paid	(iii), 11	(410)	(463)	(446)	(499)
	(iii)	(1,515)	(1,801)	(1,326)	(1,617)
(Purchase)/Sale of treasury shares	29	(145)	3,056	1,892	-
Repayment of loan from related parties	(iii)	-	(529)	(920)	-
Consideration paid for acquisition of non-controlling interests		(15,402)	(2,604)	(3,693)	(4,168)
Dividends paid	31	(22,671)	(33,385)	(36,209)	(38,369)
Proceeds from issuance of ordinary shares	28	-	-	-	51,600
Payment for share issuance costs	28	-	-	-	(1,682)
Net cash used in financing activities		<u>(48,856)</u>	<u>(40,287)</u>	<u>(48,103)</u>	<u>(16,203)</u>
Net increase/(decrease) in cash and cash equivalents		11,683	(1,771)	4,228	11,422
Cash and cash equivalents at the beginning of the year		53,787	65,086	61,672	67,458
Net effect of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies		<u>(384)</u>	<u>(1,643)</u>	<u>1,558</u>	<u>1,048</u>
Cash and cash equivalents at the end of the year		<u>65,086</u>	<u>61,672</u>	<u>67,458</u>	<u>79,928</u>

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

13. ACCOUNTANTS' REPORT (Cont'd)

UMS INTEGRATION LIMITED
(Formerly known as UMS Holdings Limited)
(Incorporated in Singapore)

**CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2021, 31 DECEMBER 2022, 31 DECEMBER 2023 AND 31 DECEMBER 2024**

Note:

- (i) The reconciliation of proceeds from disposal of property, plant and equipment is presented below:

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
<u>Disposal of property, plant and equipment</u>				
Total net book value of disposal and written off (Note 18)	195	559	297	936
Less: Property, plant and equipment written off	(19)	(2)	(3)	(32)
Add: Gain on disposal of property, plant and equipment	7	213	691	220
Net cash inflow in the financial year	<u>183</u>	<u>770</u>	<u>985</u>	<u>1,124</u>

- (ii) The reconciliation of purchase of property, plant and equipment is presented below:

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
<u>Purchase of property, plant and equipment</u>				
Total additions (Note 18)	9,977	38,533	37,947	25,853
Movement in down-payment to suppliers of property, plant and equipment	-	14,987	(8,266)	7,581
Net cash outflow in the financial year	<u>9,977</u>	<u>53,520</u>	<u>29,681</u>	<u>33,434</u>

- (iii) The reconciliation of movements of liabilities to cash flows arising from financing activities is presented below:

	<u>Cash flow</u>			<u>Non-cash changes</u>				
	1 January S\$'000	Proceeds S\$'000	Repayment S\$'000	Foreign currency exchange S\$'000	Interest expenses S\$'000	Acquisition of subsidiary S\$'000	Waiver of loans from a related party S\$'000	31 December S\$'000
2021								
Bank borrowings (Note 24)	15,710	25,000	(34,123)	(326)	489	27,536	-	34,286
Lease liabilities (Note 26)	4,515	-	(1,515)	-	410	7,928	-	11,338
Loan from related parties (non-current liabilities) (Note 24)	3,835	-	-	34	35	-	(3,904)	-
Loan from related parties (current liabilities) (Note 24)	1,403	-	-	-	-	-	-	1,403
	<u>25,463</u>	<u>25,000</u>	<u>(35,638)</u>	<u>(292)</u>	<u>934</u>	<u>35,464</u>	<u>(3,904)</u>	<u>47,027</u>

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

13. ACCOUNTANTS' REPORT (Cont'd)

UMS INTEGRATION LIMITED
(Formerly known as UMS Holdings Limited)
(Incorporated in Singapore)

**CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2021, 31 DECEMBER 2022, 31 DECEMBER 2023 AND 31 DECEMBER 2024**

	<----- Cash flow ----->			<----- Non-cash changes ----->			
	1 January S\$'000	Proceeds S\$'000	Repayment S\$'000	Foreign currency exchange S\$'000	Interest expenses S\$'000	Addition/ Modification S\$'000	31 December S\$'000
2022							
Bank borrowings (Note 24)	34,286	35,917	(40,941)	25	623	-	29,910
Lease liabilities (Note 26)	11,338	-	(1,801)	(22)	463	209	10,187
Loan from related parties (Note 24)	1,403	-	(529)	-	35	-	909
	<u>47,027</u>	<u>35,917</u>	<u>(43,271)</u>	<u>3</u>	<u>1,121</u>	<u>209</u>	<u>41,006</u>
2023							
Bank borrowings (Note 24)	29,910	4,000	(11,847)	2	476	-	22,541
Lease liabilities (Note 26)	10,187	-	(1,326)	(13)	446	637	9,931
Loan from related parties (Note 24)	909	-	(920)	-	11	-	-
	<u>41,006</u>	<u>4,000</u>	<u>(14,093)</u>	<u>(11)</u>	<u>933</u>	<u>637</u>	<u>32,472</u>
2024							
Bank borrowings (Note 24)	22,541	-	(21,967)	-	180	-	754
Lease liabilities (Note 26)	9,931	-	(1,617)	387	499	748	9,948
	<u>32,472</u>	<u>-</u>	<u>(23,584)</u>	<u>387</u>	<u>679</u>	<u>748</u>	<u>10,702</u>

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

13. ACCOUNTANTS' REPORT (Cont'd)

UMS INTEGRATION LIMITED
(Formerly known as UMS Holdings Limited)
(Incorporated in Singapore)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ABBREVIATIONS

Unless the context otherwise requires, the following definitions shall apply throughout this report:

Abbreviation	Description
Bursa Securities	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
CGU	Cash-generating unit
ECLs	Expected credit losses
FYE 2021	Financial year ended 31 December 2021
FYE 2022	Financial year ended 31 December 2022
FYE 2023	Financial year ended 31 December 2023
FYE 2024	Financial year ended 31 December 2024
IFRS	International Financial Reporting Standards
Promoter	Mr. Luong Andy
Prospectus	Prospectus to be issued by UMS for the Secondary Listing
Relevant Financial Periods	FYE 2021, FYE 2022, FYE 2023 and FYE 2024
RM	Ringgit Malaysia, the lawful currency of Malaysia
Secondary Listing	Secondary listing of and quotation for the entire issued and paid-up share capital of UMS by way of introduction on the Main Market of Bursa Securities
S\$ or SGD	Singapore Dollar, the lawful currency of Singapore
SFRS(I)	Singapore Financial Reporting Standards (International)
Shares	Ordinary shares in UMS
SGX-ST	Singapore Exchange Securities Trading Limited
UMS or Company	UMS Integration Limited (formerly known as UMS Holdings Limited)
UMS Group or Group	Collectively, UMS and its subsidiaries

2. GENERAL INFORMATION

The Accountants' Report has been prepared solely to comply with the Prospectus Guidelines issued by the Securities Commission Malaysia and for inclusion in the Prospectus.

(a) Background information

UMS was incorporated on 17 January 2001 in Singapore under the Companies Act 1967 of Singapore as a public limited company under the name of Norelco Centreline Holdings Ltd, which was subsequently renamed to Norelco UMS Holdings Ltd upon merger with UMS Semiconductor Pte Ltd in 2004. The name of the Company had been changed from Norelco UMS Holdings Ltd to UMS Holdings Limited on 12 March 2007, and subsequently changed to its present name, UMS Integration Limited on 5 September 2024. The Company was registered as a foreign company with the Companies Commission Malaysia on 4 October 2024.

The Company was listed on the SESDAQ of the SGX-ST (now known as the Catalyst Board) on 25 May 2001 and subsequently transferred to the Mainboard of SGX-ST on 5 May 2003.

The registered office address and principal place of business of the Company are located at 23 Changi North Crescent, Singapore 499616.

13. ACCOUNTANTS' REPORT (Cont'd)

The principal activity of the Company is investment holding whilst the principal activities and details of its subsidiaries are disclosed in Note 21 to the financial statements.

(b) Secondary Listing

The Company proposes to undertake the secondary listing of and quotation for the entire issued and paid-up share capital of the Company by way of introduction on the Main Market of Bursa Securities.

The Company intends to procure an undertaking from its Promoter, Mr. Luong Andy, to transfer and procure other notable shareholder(s) to transfer, an aggregate of at least 10,000,000 Shares, representing approximately 1.4% of the total issued and paid-up Shares, to his/their securities account(s) in Malaysia and made available for trading on Bursa Securities for a period of 3 years from the date of listing on Bursa Securities, in order to create liquidity and trading activity on the Main Market of Bursa Securities upon the Secondary Listing.

Fungibility of the Shares

Upon the Secondary Listing, all the Shares which are listed and quoted on both the SGX-ST and the Main Market of Bursa Securities will be fully fungible, whereby shareholders holding the Shares on the Singaporean register, may request to remove their Shares to the Malaysian register for listing and quotation on the Main Market of Bursa Securities and vice versa.

(c) Relevant Financial Periods

The Relevant Financial Periods of the audited financial statements presented for the purposes of this report are FYE 2021, FYE 2022, FYE 2023 and FYE 2024.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements for the Relevant Financial Periods have been prepared in accordance with SFRS(I) which is equivalent to IFRS and in compliance with the Chapter 10, Part II Division I: Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia.

(i) Adoption of new Standards

The Group has adopted all the new SFRS(I)s and amendments to SFRS(I)s that are effective for the Relevant Financial Periods as follows:

Applicable to FYE 2021

- Amendments to SFRS(I) 16 Leases – COVID-19 Related Rent Concessions

Applicable to FYE 2022

- Amendments to SFRS(I) 16 Leases – Covid-19 Related Rent Concessions Beyond 30 June 2021
- Amendments to SFRS(I) 1-16, Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to SFRS(I) 1-37, Provisions – Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to SFRS(I) 3, Business Combinations – Reference to the Conceptual Framework
- Annual improvements to SFRS(I)s 2018 – 2020

13. ACCOUNTANTS' REPORT (Cont'd)

Applicable to FYE 2023

- Amendments to SFRS(I) 1-1, Disclosure of Accounting Policies and SFRS(I) Practice Statement 2 Making Materiality Judgements
- Amendments to SFRS(I) 1-8, Definition of Accounting Estimate
- Amendments to SFRS(I) 1-12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Applicable to FYE 2024

- Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as current or non-current
- Amendments to SFRS(I) 1-1 Non-current Liabilities with Covenants
- Amendments to SFRS(I) 16 Leases: Lease Liability in a Sale and Leaseback
- Amendments to SFRS(I) 1-7 Statement of Cash Flows and SFRS(I) 7 Financial Instruments: Disclosures: Supplier Finance Arrangements

The adoption of these new and revised standards did not result in substantial changes to the Group's accounting policies and had no material effect on the disclosures or amounts reported in these financial statements except as disclose below:

Amendments to SFRS(I) 1-1: Disclosure of Accounting Policies and SFRS(I) Practice Statement 2 Making Materiality Judgements

The amendments require entities to disclose their material accounting policies information rather than their significant accounting policies. It clarifies that accounting policy information may be material because of its nature, even if the related amounts are immaterial. Accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements. If an entity discloses immaterial accounting policy information, such information must not obscure material accounting policy information.

The amended SFRS(I) Practice Statement 2 explains and demonstrates the application of the materiality process to accounting policy disclosures. The Group has applied materiality guidance in SFRS(I) Practice Statement 2 in identifying its material accounting policies for disclosures in the related notes. The previous term "Significant Accounting Policies" used throughout the financial statements has been replaced with "Material Accounting Policies".

(ii) SFRS(I)s issued but not yet effective and have not been early adopted

The Group has not adopted the following standards that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025
Annual Improvements to SFRS(I)s - Volume 11	1 January 2026
Amendments to SFRS(I) 9 Financial Instruments and SFRS(I) 7 Financial Instruments: Disclosures: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026

13. ACCOUNTANTS' REPORT (Cont'd)

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 9 Financial Instruments and SFRS(I) 7 Financial Instruments: Disclosures: Contracts Referencing Nature-dependent Electricity	1 January 2026
SFRS(I) 18 Presentation and Disclosure in Financial Statements	1 January 2027
SFRS(I) 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to SFRS(I) 10 Consolidated Financial Statements and SFRS(I) 1-28 Investments in Associates and Joint Ventures: Sale or contribution of assets between an investor and its associate or joint venture	Deferred indefinitely, early application is still permitted

The Group will adopt the above standards when they become effective in the respective financial periods. However, save as disclosed below, the Group anticipates that the adoption of the new/revised standards above will have no material impact on the financial statements in the period of initial application. Furthermore, the Group assessed that since there were no such transactions entered into during the Relevant Financial Periods nor does it foresee the occurrence of such transactions in the near future, therefore concluded that there will not be any retrospective adjustment upon initial adoption of these standards:

SFRS(I) 18 Presentation and Disclosure in Financial Statements

This standard will replace SFRS(I)1-1 Presentation of Financial Statements. Whilst many of the requirements will remain consistent, the new standard will have impacts on the presentation of the Statement of Profit and Loss and consequential impacts on the Statement of Cash Flows. It will also require the disclosure of the non-SFRS(I) management performance measures and may impact the level of aggregation and disaggregation throughout the primary financial statements and the notes.

An entity is required to apply the amendments to SFRS(I) 1-1 for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted. SFRS(I) 18 requires retrospective application with specific transition provisions.

The Directors will determine the impact on the presentation of the Consolidated Income Statement and Consolidated Statement of Cash Flows when effective.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except as disclosed in the material accounting policies set out in Note 4 to the financial statements.

(c) Functional and presentation currency

The financial statements are presented in Singapore Dollar ("S\$"), which is the Company's functional currency and are rounded to the nearest thousand dollar (S\$'000), except as otherwise indicated.

(d) Significant accounting estimates and judgements

The preparation of consolidated financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5 to the financial statements.

13. ACCOUNTANTS' REPORT (Cont'd)

4. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these consolidated financial statements, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

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

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

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

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

The Group applies the acquisition method to account for business combinations when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether an integrated set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create output. The Group has an option to apply a 'fair value concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The concentration test can be applied on a transaction-by-transaction basis. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the test is met, the set of activities and assets is determined not to be a business and no further assessment is needed. If the test is not met, or if the Group elects not to apply the test, a detailed assessment must be performed applying the normal requirements in SFRS(I) 3.

13. ACCOUNTANTS' REPORT (*Cont'd*)

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with SFRS(I) 9 Financial Instruments either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between the group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(ii) *Change in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) *Disposal of subsidiaries*

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

13. ACCOUNTANTS' REPORT (*Cont'd*)

(b) Goodwill on consolidation

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous held equity interest in the acquiree over (ii) the fair value of the investee's identifiable net assets acquired. Goodwill on acquisitions of subsidiaries is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment loss. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.

For the purpose of impairment testing, goodwill acquired is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination. The cash-generating unit ("CGU") to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the allocated goodwill, with the recoverable amount of the CGU. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent years.

When goodwill forms part of a CGU and part of the operation within that CGU is disposed of, the goodwill associated with the operation disposed of, is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. In this circumstance, goodwill disposed of is measured based on the relative fair values of the operations disposed of, and the portion of the CGU retained.

(c) Property, plant and equipment

(i) Measurement

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

(ii) Depreciation

Depreciation is calculated on a straight-line method to write off the cost of the property, plant and equipment over their estimated useful lives. The estimated useful lives are as follows:

Freehold buildings	- 50 years
Buildings on leasehold land	- 3 to 60 years or the term of the lease, whichever is shorter
Plant and equipment	- 1 to 12 years

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

Construction-in-progress is stated at cost less any accumulated impairment losses and include any borrowing cost incurred during the period of construction. No depreciation is provided on construction-in-progress and upon completion of construction, the cost will be transferred to property, plant and equipment.

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The estimated residual values, useful lives and depreciation method are reviewed annually, with the effect of any changes in estimate accounted for on a prospective basis. This ensures that the method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the item of property, plant and equipment.

13. ACCOUNTANTS' REPORT (Cont'd)

(iii) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised, is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard performance of the asset before the expenditure was made, will flow to the Group and the cost of the item can be reliably measured. Other subsequent expenditure is recognised as an expense during the year in which it is incurred.

(iv) *Disposal*

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds (if any) and the carrying amount of the asset, and is recognised in profit or loss.

(d) **Investment property**

Investment property comprises significant portions of leasehold property that is held for long-term rental yields and/or for capital appreciation.

Investment property is measured initially at cost, including transaction costs, and subsequently carried at cost less accumulated depreciation and any impairment loss. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Depreciation is calculated on a straight-line basis over a period of 30 years.

The residual values, useful lives and depreciation method of the investment property are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are included in profit or loss when the changes arise.

Investment property is 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 gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

When the cost model is applied, the fair value of the investment property is disclosed at each reporting date.

(e) **Cash and cash equivalents**

Cash and cash equivalents include cash on hand and deposits with financial institutions that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents consist of cash and cash equivalents (as defined above) less any restricted deposit balances that are pledged to secure banking facilities.

(f) **Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost is determined on the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and costs necessary to make the sale.

13. ACCOUNTANTS' REPORT (*Cont'd*)

(g) Impairment of non-financial assets excluding goodwill

Non-financial assets excluding goodwill are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in profit or loss unless the asset is carried at revalued amount. In this case, such impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised in profit or loss, a reversal of that impairment is also recognised in profit or loss.

(h) Offsetting financial instruments

Financial assets and financial liabilities are offset and net amount reported in the statements of financial position, when and only when, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the financial assets and settle the financial liabilities simultaneously.

(i) Financial assets

(i) *Classification and measurement*

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

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

(ii) *Initial recognition*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, 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.

13. ACCOUNTANTS' REPORT (Cont'd)

Financial assets measured at amortised costs are presented as "cash and bank balances", "trade receivables and other current assets (excluding prepayments and advance to suppliers and down-payment to suppliers of property, plant and equipment)" on the statements of financial position.

(iii) **Subsequent measurement**

Debt instruments

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other income/other expenses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income", if any.
- FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other income/other expenses", if any.

Debt instruments mainly comprise cash and bank balances and trade and other receivables measured at amortised cost.

Equity instruments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other credits/charges", except for those equity securities which are not held for trading.

13. ACCOUNTANTS' REPORT (Cont'd)

(iv) **Recognition and derecognition**

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

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

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income.

(v) **Impairment**

The Group assesses on a forward-looking basis the ECLs associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

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

(vi) **Credit-impaired financial assets**

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired.

Evidence that a financial asset is credit-impaired includes the observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower or a concession(s) that the lender(s) would not otherwise consider (e.g. the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise);
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

(vii) **Write-off policy**

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

13. ACCOUNTANTS' REPORT (Cont'd)

(j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period using the effective interest method in which they are incurred.

(k) Financial liabilities

An entity shall recognise a financial liability on its statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument.

Financial liabilities, which include bank borrowings, trade and other payables including related parties and lease liabilities are initially measured at fair value, plus transaction costs and are subsequently measured at amortised cost using the effective interest method.

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

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting period.

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

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

(m) Employee benefits

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

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

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

13. ACCOUNTANTS' REPORT (*Cont'd*)

(n) Share capital

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

(o) Treasury shares

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or re-issued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of the earnings of the Company.

When treasury shares are subsequently sold or re-issued, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or re-issue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

(p) Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

(q) Revenue recognition

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

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

(i) Sale of goods and services

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a PO by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices.

Revenue is recognised at a point in time upon satisfaction of the PO, which generally coincides with the delivery of goods and when services are rendered. The transaction price allocated is recognised as a contract liability at the time of the initial sales transaction and is released upon satisfaction of the PO.

13. ACCOUNTANTS' REPORT (Cont'd)

(ii) *Rental income*

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term as set out in specific rental agreements.

(iii) *Interest income*

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

(r) *Leases*

(i) *When the Group is the lessor*

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income. Contingent rents are recognised as income in profit or loss when earned.

Sub-lease arrangements where the Group acts as an intermediate lessor are classified as finance or operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset. Where the Group has applied the short-term exemptions to the head lease, then the sub-lease will be classified as an operating lease.

(ii) *When the Group is the lessee*

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

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

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment with average tenure of between 2 and 60 years. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the corresponding lease liabilities.

The Group presents its right-of-use assets as "Right-of-use assets" and lease liabilities as "Lease liabilities" in the statements of financial position.

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

13. ACCOUNTANTS' REPORT (Cont'd)

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

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

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

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

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise lease extension and termination options;
- There is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- There is a modification to the lease term.

When lease liabilities are remeasured, corresponding adjustments are made against the right-of-use assets. If the carrying amounts of the right-of-use assets have been reduced to zero, the adjustments are recorded in profit or loss. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less, as well as leases of low value assets, except in the case of sub-lease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Variable lease payments that are based on an index or a rate are included in the measurement of the corresponding right-of-use assets and lease liabilities. Other variable lease payments are recognised in profit or loss when incurred.

Short-term lease and lease of low-value assets

The Group applies the short-term leases recognition exemption to its short-term leases (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 that are considered to be low value. Lease payment on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

(s) Income tax

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

13. ACCOUNTANTS' REPORT (Cont'd)

In October 2024, Singapore has introduced new tax provisions for in-scope multinational enterprise groups, which are defined as those with annual group consolidated revenue of at least Euro 750 million in two or more of the four preceding financial years, and with at least one entity or permanent establishment that is not located in the jurisdiction of the parent entity ("Pillar Two tax legislation"). The Group is not in scope of the new regulations.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its tax assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The Group will recognise a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at the date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

13. ACCOUNTANTS' REPORT (Cont'd)

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in the accounting for the business combination.

(t) **Foreign currencies**

Functional and presentation currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates ("functional currency"). For the purposes of the consolidated financial statements, the results and financial position of each entity in the Group are expressed in Singapore Dollar ("S\$"), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency ("foreign currencies") are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss, unless they arise from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations.

Those currency translation differences are recognised in the foreign currency translation reserve in the consolidated financial statements and transferred to profit or loss as part of the gain or loss on disposal of the foreign operation.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Translation of Group entities' financial statements

The results and financial position of each entity in the Group that has a functional currency different from the presentation currency is translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing exchange rate at the end of the reporting period;
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of transactions); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

13. ACCOUNTANTS' REPORT (Cont'd)

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognised in profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate at the end of the reporting period. Exchange differences arising are recognised in other comprehensive income.

(u) Segment reporting

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

(v) Related parties

A related party is defined as follows:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the "reporting entity").

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) both entities are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

13. ACCOUNTANTS' REPORT (Cont'd)

(w) Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately under "other credits/(charges)" in the consolidated income statements.

(x) Intangible assets

Intangible assets acquired in a business combination are identified and recognised separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date.

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

The intangible asset pertains to customer relationship acquired through acquisition of a subsidiary. It is amortised on a straight-line basis over its useful life. Management has assessed the estimated useful life to be 8 years. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis, in the profit or loss.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, which are described in Note 4 to the financial statements, management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

(a) Key sources of estimation uncertainty

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

(i) *Useful lives of property, plant and equipment and investment property*

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment and investment property. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment and investment property of a similar nature and function. It could change significantly as a result of technical innovations and competitor actions. Management will increase the depreciation charge where the useful lives are less than previously estimated, or it will write-off or write-down technically obsolete assets that have been abandoned or sold.

13. ACCOUNTANTS' REPORT (Cont'd)

There is no change in the estimated useful lives of property, plant and equipment and investment property during the Relevant Financial Periods. The carrying amounts of property, plant and equipment and investment property of the Group as at 31 December 2024 amounted to S\$165,986,000 (2023: S\$152,719,000; 2022: S\$135,428,000; 2021: S\$112,115,000) and S\$ Nil (2023: S\$1,368,000; 2022: S\$1,497,000; 2021: S\$1,657,000) respectively. A 5% difference in the expected useful lives of these assets from management's estimates would result in an approximate 2% (2023: 1%, 2022: 1%; 2021: 1%) change in the Group's net profit for the year. Further details are given in Notes 18 and 20 to the financial statements.

(ii) *Impairment of goodwill*

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the CGU to which goodwill has been allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

No impairment on goodwill is recognised during the Relevant Financial Periods. The carrying amount of goodwill as at 31 December 2024 amounted to S\$86,351,000 (2023: S\$86,351,000; 2022: S\$86,351,000; 2021: S\$86,351,000). Further details are given in Note 23 to the financial statements.

(iii) *Impairment of loan and receivables*

As at 31 December 2024, the trade and other receivables (excluding prepayments, advance to suppliers, down-payment to suppliers of property, plant and equipment and tax recoverable) of the Group amounted to S\$39,914,000 (2023: S\$44,714,000; 2022: S\$51,362,000; 2021: S\$56,457,000) as disclosed in Note 15 to the financial statements.

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the receivables are disclosed in Note 15 to the financial statements.

Write-back of allowance for non-trade debts of S\$7,000 and an allowance for trade debts of S\$8,000 (2023: Allowance for non-trade debts of S\$6,000; 2022: Write-back of allowance for trade debts of S\$96,000; 2021: Write-back of allowance for non-trade debts of S\$13,000) are recognised during the FYE 2024 as disclosed in Notes 9 and 15 to the financial statements respectively.

The Group's credit risk exposure for receivables are set out in Note 36(a)(ii) to the financial statements.

13. ACCOUNTANTS' REPORT (Cont'd)

(iv) Allowance for inventories obsolescence

Reviews are made periodically by management on inventories for excess inventories, obsolescence and decline in net realisable value below cost. The Group writes down the cost of inventories whenever the net realisable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. Allowances are recorded against the inventories based on historical obsolescence of slow-moving inventories.

During the FYE 2024, the Group recognised an allowance for inventories obsolescence of S\$1,684,000 (2023: S\$328,000; 2022: S\$647,000; 2021: S\$404,000), an allowance for project loss of S\$ Nil (2023: S\$ Nil; 2022: S\$ Nil; 2021: S\$729,000), a write-down of inventories of S\$ Nil (2023: S\$ Nil; 2022: S\$ Nil; 2021: S\$3,303,000), a write-back of allowance for project loss of S\$ Nil (2023: S\$497,000; 2022: S\$ Nil; 2021: S\$ Nil) and a write-back of inventories obsolescence of S\$ Nil (2023: S\$ Nil; 2022: S\$267,000; 2021: S\$3,130,000) as disclosed in Notes 9 and 17 to the financial statements respectively.

(b) Critical judgements in applying accounting policies

In the process of applying the Group's accounting policies, there was no application of critical judgements that are expected to have a significant effect on the amounts recognised in the consolidated financial statements.

6. REVENUE

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Sale of goods and services –				
Point in time	270,826	371,771	299,315	241,393
Rental income – Over time	394	618	592	722
	<u>271,220</u>	<u>372,389</u>	<u>299,907</u>	<u>242,115</u>

Disaggregation of revenue from contracts with customers

The Group generates revenue across the following major geographical regions. Revenue is attributed to countries based on the location of the customers.

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Singapore	189,914	258,552	210,750	163,060
United States of America ("USA")	31,481	35,377	34,840	32,618
Taiwan	27,990	39,184	25,952	16,541
Malaysia	11,517	19,979	8,858	17,457
Others	10,318	19,297	19,507	12,439
Total	<u>271,220</u>	<u>372,389</u>	<u>299,907</u>	<u>242,115</u>

Contract liabilities

	Note	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
- Customised equipment contracts	25	<u>9,351</u>	<u>1,899</u>	<u>4,385</u>	<u>848</u>

13. ACCOUNTANTS' REPORT (Cont'd)

Significant change in the contract liabilities balance during the Relevant Financial Periods is disclosed as follows:

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Revenue recognised in current financial year that was included in the contract liabilities balance at the beginning of the year	(314)	(7,805)	(1,890)	(3,634)
Billings/cash received, excluding amounts recognised as revenue during the year	<u>6,338</u>	<u>353</u>	<u>4,376</u>	<u>97</u>

No significant revenue is recognised during the Relevant Financial Periods from performance obligations satisfied (or partially satisfied) in the previous periods, due to changes in transaction price.

There is no contract which includes a significant financing component.

Transaction price allocated to contracts with remaining performance obligations

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 31 December	<u>12,806</u>	<u>4,635</u>	<u>2,272</u>	<u>2,755</u>

Management expects the remaining unsatisfied performance obligations are to be recognised as below:

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Within 1 year	12,806	4,635	1,675	2,150
Between 1 to 2 years	<u>-</u>	<u>-</u>	<u>597</u>	<u>605</u>
	<u>12,806</u>	<u>4,635</u>	<u>2,272</u>	<u>2,755</u>

The amount disclosed above does not include variable consideration which is subject to significant risk of reversal, if any.

As permitted under SFRS(I) 15, the aggregated transaction price allocated to unsatisfied contracts of periods one year or less, or are billed based on time incurred, is not disclosed.

7. EMPLOYEE BENEFITS EXPENSE

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Salaries, wages and bonuses	(24,124)	(29,743)	(28,705)	(28,378)
Expenses on executive bonus plan to key management personnel	(8,327)	(8,771)	(6,346)	(4,455)
Contributions to defined contribution plans	<u>(2,810)</u>	<u>(3,588)</u>	<u>(3,366)</u>	<u>(2,964)</u>
	<u>(35,261)</u>	<u>(42,102)</u>	<u>(38,417)</u>	<u>(35,797)</u>

13. ACCOUNTANTS' REPORT (Cont'd)

8. OTHER EXPENSES

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
The major components include the following:				
Auditor's remuneration				
- Company's auditors	(316)	(325)	(338)	(353)
- Other auditors (network firm)	(24)	(22)	(34)	(35)
Non-audit fees				
- Company's auditors	-	-	-	(80)
- Other auditors (network firm)*	-	(3)	(24)	(162)
- Other auditors (non-network firm)	(41)	(31)	(21)	(37)
Consultancy fees	(2,220)	(3,043)	(3,201)	(2,386)
Freight charges	(1,822)	(2,904)	(1,866)	(1,441)
Insurance	(608)	(804)	(783)	(828)
Legal and professional fees	(1,050)	(963)	(778)	(1,641)
Property tax	(577)	(726)	(747)	(779)
Staff welfare	-	(460)	(918)	(1,204)
Tax fees	(63)	(62)	(66)	(77)
Travelling expenses	-	(348)	(275)	(288)
Upkeep of machinery	(2,378)	(3,025)	(3,497)	(3,905)
Upkeep of properties	(1,068)	(1,688)	(1,638)	(1,943)
Utilities	(4,787)	(6,094)	(8,440)	(7,917)
Others	(1,841)	(1,096)	(1,829)	(2,029)
	<u>(16,795)</u>	<u>(21,594)</u>	<u>(24,455)</u>	<u>(25,105)</u>

* The S\$162,000 (2023: S\$ Nil; 2022: S\$ Nil; 2021: S\$ Nil) included in the non-audit fees paid to the Company's auditors' network firm relates to professional fees for acting as reporting accountants.

13. ACCOUNTANTS' REPORT (Cont'd)

9. OTHER CREDITS/(CHARGES)

	Note	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Allowance for inventories obsolescence	17	(404)	(647)	(328)	(1,684)
Allowance for non-trade debts	15	-	-	(6)	-
Allowance for project loss	17	(729)	-	-	-
Allowance for trade debts	15	-	-	-	(8)
Bad debts written off (trade)		(37)	-	-	-
Fair value adjustment on inventories arising from acquisition of a subsidiary		(2,000)	(1,500)	(586)	-
Fair value gain/(loss) on financial assets through profit or loss	16	7	(698)	(252)	-
Foreign exchange gains/ (losses) – net		1,971	(272)	(1,130)	3,020
Gain on disposal of financial assets through profit or loss	16	-	-	-	726
Gain on disposal of property, plant and equipment		7	213	691	220
Government grants		469	196	133	110
Inventories written down		(3,303)	-	-	-
Loss on deemed disposal of an associate		(2,015)	-	-	-
Property, plant and equipment written off		(19)	(2)	(3)	(32)
Waiver of loans from a related party		3,904	-	-	-
Write-back of allowance for non-trade debts	15	13	-	-	7
Write-back of allowance for project loss	17	-	-	497	-
Write-back of allowance for trade debts	15	-	96	-	-
Write-back of inventories obsolescence	17	3,130	267	-	-
Others		391	309	100	286
		<u>1,385</u>	<u>(2,038)</u>	<u>(884)</u>	<u>2,645</u>

10. FINANCE INCOME

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Interest income from cash and cash equivalents	<u>184</u>	<u>230</u>	<u>1,149</u>	<u>2,208</u>

13. ACCOUNTANTS' REPORT (Cont'd)

11. FINANCE EXPENSE

	Note	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Interest expense					
- bank borrowings		(489)	(623)	(476)	(180)
- loans from related parties		(35)	(35)	(11)	-
- lease liabilities	19	(410)	(463)	(446)	(499)
		<u>(934)</u>	<u>(1,121)</u>	<u>(933)</u>	<u>(679)</u>

12. INCOME TAX

Income tax expense:

		2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Current income tax:					
- current year		13,194	12,013	8,093	5,406
- under/(over) provision in respect of prior years		<u>7,484</u>	<u>(11,544)</u>	<u>(232)</u>	<u>52</u>
		<u>20,678</u>	<u>469</u>	<u>7,861</u>	<u>5,458</u>
Deferred taxation:					
- current year		1,153	780	22	16
- over provision in respect of prior years		<u>(14)</u>	<u>(8)</u>	<u>(569)</u>	<u>(279)</u>
		<u>1,139</u>	<u>772</u>	<u>(547)</u>	<u>(263)</u>
		<u>21,817</u>	<u>1,241</u>	<u>7,314</u>	<u>5,195</u>

A reconciliation of the applicable tax rate to the Group's effective tax rate applicable to profit before income tax for the Relevant Financial Periods is as follows:

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Profit before income tax	79,399	103,216	68,501	46,771
Share of profit of associate	<u>(361)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>79,038</u>	<u>103,216</u>	<u>68,501</u>	<u>46,771</u>
Tax at the applicable tax rate of 17%	13,436	17,547	11,645	7,951
Tax effect of non-deductible items*	628	1,331	2,086	1,683
Income not subject to taxation*	(1,485)	(195)	(351)	(1,444)
Under/(Over) provision of current tax in respect of prior years	7,484	(11,544)	(232)	52
Over provision of deferred tax in respect of prior years	(14)	(8)	(569)	(279)
Deferred tax assets not recognised	308	-	104	761
Utilisation of allowances	(883)	(44)	-	-
Tax exemption	(641)	(9,098)	(8,550)	(4,817)
Singapore statutory stepped exemption	(55)	(87)	(43)	(35)
Effect of different tax rates operating in other jurisdictions	<u>3,039</u>	<u>3,339</u>	<u>3,224</u>	<u>1,323</u>
	<u>21,817</u>	<u>1,241</u>	<u>7,314</u>	<u>5,195</u>

13. ACCOUNTANTS' REPORT (Cont'd)

- * Mainly relates to expenses/income derived by those entities of the Group, whose principal activities are those of investment holding that do not qualify for deduction and impairment losses which are not deductible/taxable as they are capital in nature, in accordance with the relevant tax regulation.

The applicable tax rate used for the reconciliations above for the Relevant Financial Periods is the corporate tax rate of 17 % payable by corporate entities in Singapore on taxable profits under tax law in that jurisdiction.

The Malaysian statutory tax rate is 24% for the Relevant Financial Periods.

Pioneer Status Incentive

Ultimate Manufacturing Solutions (M) Sdn Bhd ("Ultimate Manufacturing")

The tax exemption relates to subsidiaries in Malaysia which have been granted pioneer status by the Inland Revenue Board of Malaysia ("IRBM") for a period of five years with an option to apply for another five-year extension and ten years, respectively.

Ultimate Manufacturing has been granted pioneer status tax incentive with a 100% tax exemption from income tax for a period of 10 years commencing from 11 August 2017 to 10 August 2027 by the Malaysian Investment Development Authority ("MIDA").

During the FYE 2021, the IRBM disallowed Ultimate Manufacturing's claim for pioneer status incentive for year of assessment ("YA") 2017 as the subsidiary had not met the stipulated percentage of local employee criteria (due to labour crunch in Penang, Malaysia). Ultimate Manufacturing had also not met the conditions for YA2018 to YA2021.

Ultimate Manufacturing appealed to the MIDA during the FYE 2021 for a relaxation of conditions of the pioneer status incentive. In addition, a tax consultant was engaged to assist on the above matter.

In view of the above, Ultimate Manufacturing provided additional tax liabilities for YA2018 to YA2021 during the FYE 2021.

During the FYE 2022, Ultimate Manufacturing's application for the reinstatement of its pioneer status incentive has received approval from the MIDA per announcement made on 14 September 2022. Accordingly, Ultimate Manufacturing has written back the tax liabilities of S\$11.9 million (RM37.7 million) for YA2018 to YA2021 during the FYE 2022.

Ultimate Machining Solutions (M) Sdn Bhd

Ultimate Machining Solutions (M) Sdn Bhd was granted pioneer status tax incentive with a 100% tax exemption from income tax for a period of 5 years commencing from 2 March 2011 which had been extended by the MIDA for another 5 years until 1 March 2021. The pioneer status tax incentive had expired during the FYE 2021.

13. ACCOUNTANTS' REPORT (Cont'd)

Deferred tax:

The (deferred tax assets)/deferred tax liabilities as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024 are as follows:

	At 1 Jan 2021 S\$'000	Acquisition of a subsidiary S\$'000	Charged/ (Credited) to income statement S\$'000	At 31 Dec 2021/ 1 Jan 2022 S\$'000	Charged/ (Credited) to income statement S\$'000	At 31 Dec 2022/ 1 Jan 2023 S\$'000	Charged/ (Credited) to income statement S\$'000	At 31 Dec 2023/ 1 Jan 2024 S\$'000	Charged/ (Credited) to income statement S\$'000	At 31 Dec 2024 S\$'000
Deferred tax liabilities ^										
- Excess of net carrying amount of property, plant and equipment	1,921	6,766	1,582	10,269	848	11,117	(1,172)	9,945	410	10,355
Deferred tax assets #										
- Provisions	(13)	-	(438)	(451)	(55)	(506)	697	191	(680)	(489)
Net deferred tax liabilities	1,908	6,766	1,144	9,818	793	10,611	(475)	10,136	(270)	9,866
Deferred tax assets #										
- Capital allowances	(71)	-	(5)	(76)	(21)	(97)	(72)	(169)	7	(162)

Deferred tax assets are to be recovered after one year.

^ Deferred tax liabilities are to be settled as follows:

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
- to be settled within one year	68	250	210	73
- to be settled after one year	10,201	10,867	9,735	10,282
	<u>10,269</u>	<u>11,117</u>	<u>9,945</u>	<u>10,355</u>

13. ACCOUNTANTS' REPORT (Cont'd)

The Group has unutilised tax losses available for offset against future taxable income, subject to agreement with the tax authorities on the relevant tax regulations as follows:

	Note	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Singapore entities	(i)	9,167	8,666	6,059	6,283
Malaysia entity	(ii)	-	-	1,995	6,245
		<u>9,167</u>	<u>8,666</u>	<u>8,054</u>	<u>12,528</u>

- (i) The unutilised tax losses have no expiry date.
- (ii) The unutilised tax losses will be allowed to be carried forward for 10 consecutive YAs (previously 7 YAs) deemed to be effective from YA 2019.

The deferred tax assets arising from these unutilised tax losses totalling approximately S\$2,130,000 (2023: S\$1,369,000; 2022: S\$1,473,000; 2021: S\$1,558,000) have not been recognised in accordance with the accounting policy in Note 4(s).

As at 31 December 2024, no deferred tax liability (2023: S\$ Nil; 2022: S\$ Nil; 2021: S\$ Nil) has been recognised for taxes that would be payable on the undistributed earnings of the Group's overseas subsidiaries as:

- No withholding tax is imposed on dividends from Malaysia subsidiaries due to the double tax agreement between Malaysia and Singapore.
- The USA subsidiary has minimal undistributed earnings, thus the Group does not foresee any distribution of earnings.

13. EARNINGS PER SHARE

The earnings per share is calculated by dividing the Group's net profit for the year attributable to the owners of the Company by the weighted average number of ordinary shares outstanding during the financial year:

	2021	2022	2023	2024
Net profit attributable to the owners of the Company (S\$'000)	<u>53,103</u>	<u>98,169</u>	<u>59,984</u>	<u>40,607</u>
Number of ordinary shares: Weighted average number of ordinary shares for the purpose of computation of basic and diluted earnings per share*	<u>666,785,941</u>	<u>667,476,892</u>	<u>670,440,119</u>	<u>707,147,963</u>
Basic earnings per share (Singapore cents)	7.96	14.71	8.95	5.74
Diluted earnings per share (Singapore cents)	<u>7.96</u>	<u>14.71</u>	<u>8.95</u>	<u>5.74</u>

Diluted earnings per share is the same as basic earnings per share as there were no potential dilutive equity instrument in issue as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024.

* Excludes treasury shares as detailed in Note 29.

13. ACCOUNTANTS' REPORT (Cont'd)

The 40,000,000 new placement shares issued during the FYE 2024 as disclosed in Note 28 are not taken into consideration in the calculation of the weighted average number of shares for the FYE 2021, FYE 2022 and FYE 2023 as there is no bonus element in the issuance price of the placement share pursuant to paragraph 27(b) of SFRS(I) 1-33 Earnings per Share.

14. CASH AND BANK BALANCES

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Cash on hand and at banks, and short-term bank deposit	54,268	61,422	59,955	64,259
Fixed deposits	10,818	250	7,503	15,669
	<u>65,086</u>	<u>61,672</u>	<u>67,458</u>	<u>79,928</u>

The rates of interest for the interest earning bank accounts and the fixed deposits are between 2.30% and 5.40% (2023: 2.00% and 5.18%; 2022: Nil and 5.30%; 2021: Nil and 2.10%) per annum respectively, with maturity period within one year.

15. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Trade receivables:				
Third parties	52,494	50,031	42,114	36,089
Less: Loss allowance for trade debts	(157)	(61)	(61)	(69)
Net trade receivables	<u>52,337</u>	<u>49,970</u>	<u>42,053</u>	<u>36,020</u>
Other receivables and deposits:				
Third parties	3,609	935	1,882	3,358
Down-payment to suppliers of property, plant and equipment	-	14,987	6,721	14,302
Advance to suppliers	9,072	11,163	2,405	1,816
Deposits	870	816	1,144	894
Less: Loss allowance for non-trade debts	(359)	(359)	(365)	(358)
	13,192	27,542	11,787	20,012
Prepayments	1,648	2,378	2,399	646
Tax recoverable	-	-	-	46
	<u>14,840</u>	<u>29,920</u>	<u>14,186</u>	<u>20,704</u>
Trade receivables and other current assets	<u>67,177</u>	<u>79,890</u>	<u>56,239</u>	<u>56,724</u>

The movement in credit loss allowance is as follows:

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Trade debts				
At 1 January per SFRS(I) 9	-	(157)	(61)	(61)
Acquisition of a subsidiary	(157)	-	-	-
Write-back/(Provision) of loss allowance	-	96	-	(8)
At 31 December per SFRS(I) 9	<u>(157)</u>	<u>(61)</u>	<u>(61)</u>	<u>(69)</u>

13. ACCOUNTANTS' REPORT (Cont'd)

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
<u>Non-trade debts</u>				
At 1 January per SFRS(I) 9	(372)	(359)	(359)	(365)
Write-back/(Provision) of loss allowance	13	-	(6)	7
At 31 December per SFRS(I) 9	<u>(359)</u>	<u>(359)</u>	<u>(365)</u>	<u>(358)</u>

The average credit period generally granted for trade receivables is between 30 and 90 days (2023: between 30 and 90 days; 2022: between 30 and 90 days; 2021: between 30 and 90 days).

Trade receivables

Loss allowance for impairment on trade receivables has always been measured at an amount equal to lifetime ECLs as disclosed in the accounting policy in Note 4(i)(v). The Group regards debts as defaulted and recognises a loss allowance of 100% against certain receivables (credit-impaired) when historical experience has indicated that these receivables are generally not recoverable. There has been no change in the estimation techniques or significant assumptions made during the Relevant Financial Periods. None of the trade receivables that have been written off is subject to recovery process.

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

In calculating the ECLs rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group's credit risk in relation to trade receivables under SFRS(I) 9 as at 31 December 2024, 31 December 2023, 31 December 2022 and 31 December 2021 are set out in the provision matrix as presented in Note 36(a)(ii) to the financial statements.

The Group's trade receivables due from third parties include an outstanding receivable which amounted to approximately S\$10.4 million (2023: S\$20.6 million; 2022: S\$27.9 million; 2021: S\$23.1 million) from a key customer which accounted for more than 50% (2023: more than 50%; 2022: more than 50%; 2021: more than 50%) of the Group's total revenue for the current financial year. Management has considered these facts and have assessed that the Group's exposure to this key customer would not have an impact on the Group's financial performance and its ability to continue as a going concern in the foreseeable future. Management has assessed this key customer as low credit risk.

Other receivables

The Group's other receivables from third parties are considered to have low credit risk as they are not due for payment as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024, and there has been no significant increase in the risk of default on the receivables since initial recognition.

For the purpose of impairment assessment for non-trade third parties' receivables, the loss allowance is measured at an amount equal to 12-month ECL.

Please refer to Note 36(a)(ii) to the financial statements for ageing analysis of trade receivables of the Group.

Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of trade and other receivables past due but not impaired except for specific debts assessed to be not recoverable. These receivables that are not impaired are mainly arising from customers that have a good credit record with the Group.

13. ACCOUNTANTS' REPORT (Cont'd)

16. FINANCIAL ASSETS THROUGH PROFIT OR LOSS

	Note	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
<u>Investment in quoted shares</u>					
At 1 January		-	322	967	586
Addition/(Disposal) during the year		315	1,343	(129)	(1,312)
Gain on disposal during the year	9	-	-	-	726
Fair value gain/(loss) during the year	9	7	(698)	(252)	-
At 31 December		<u>322</u>	<u>967</u>	<u>586</u>	<u>-</u>

The quoted shares are listed on the SGX-ST. The investment had no fixed maturity term and were held for trading, designated to be measured at FVPL. The share price indication of the investment was based on an active market price, which was a Level 1 of the fair value hierarchy. During the FYE 2024, the Group has fully disposed of the quoted shares.

17. INVENTORIES

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Lower of cost and net realisable values:				
Finished goods and goods for resale	15,866	16,061	17,874	28,259
Work-in-progress	34,581	27,441	37,393	37,972
Raw materials	36,663	67,164	55,493	42,940
	<u>87,110</u>	<u>110,666</u>	<u>110,760</u>	<u>109,171</u>
Cost of inventories sold recognised as cost of sales in the consolidated income statements				
	<u>128,136</u>	<u>186,637</u>	<u>149,639</u>	<u>118,517</u>
Movement in the allowance for inventories obsolescence:				
At 1 January	18,399	18,970	19,320	18,399
Acquisition of a subsidiary	2,706	-	-	-
Allowance recognised in income statements during the year	1,133	647	328	1,684
Write-back of allowance for project loss during the year	-	-	(497)	-
Write-back of allowance for inventories obsolescence	(3,130)	(267)	-	-
Write-off of allowance for inventories obsolescence	-	-	(714)	(1,412)
Exchange differences	(138)	(30)	(38)	24
At 31 December	<u>18,970</u>	<u>19,320</u>	<u>18,399</u>	<u>18,695</u>

As at 31 December 2024, the Group has made allowance for inventories obsolescence amounting to S\$18,695,000 (2023: S\$18,399,000; 2022: S\$19,320,000; 2021: S\$18,970,000).

The write-back of allowance for project loss of S\$ Nil (2023: S\$497,000; 2022: S\$ Nil; 2021: S\$ Nil) and write-back of allowance for inventories obsolescence of S\$ Nil (2023: S\$ Nil; 2022: S\$267,000; 2021: S\$3,130,000) was due to the delivery of the equipment relating to the project and utilisation of the inventories respectively.

13. ACCOUNTANTS' REPORT (Cont'd)

18. PROPERTY, PLANT AND EQUIPMENT

	Freehold land S\$'000	Freehold buildings S\$'000	Buildings on leasehold land S\$'000	Plant and equipment S\$'000	Construction- in-progress S\$'000	Total S\$'000
Cost						
At 1 January 2021	4,331	15,794	14,513	159,837	1,514	195,989
Effect of foreign currency exchange differences	-	(245)	-	(797)	(118)	(1,160)
Additions	-	-	-	8,255	1,722	9,977
Acquisition of a subsidiary	-	-	44,857	11,609	1,193	57,659
Disposals/Written off	-	-	-	(888)	-	(888)
At 31 December 2021/1 January 2022	4,331	15,549	59,370	178,016	4,311	261,577
Effect of foreign currency exchange differences	(251)	(888)	-	(3,749)	(495)	(5,383)
Additions	-	-	-	29,700	8,833	38,533
Disposals/Written off	-	-	-	(1,967)	-	(1,967)
Reclassification from right-of-use assets (Note 19)	-	-	-	2,198	-	2,198
At 31 December 2022/1 January 2023	4,080	14,661	59,370	204,198	12,649	294,958
Effect of foreign currency exchange differences	(245)	(866)	-	(5,155)	(942)	(7,208)
Additions	-	-	41	31,445	6,461	37,947
Disposals/Written off	-	-	-	(4,265)	-	(4,265)
Reclassification from right-of-use assets (Note 19)	-	-	-	420	-	420
At 31 December 2023/1 January 2024	3,835	13,795	59,411	226,643	18,168	321,852
Effect of foreign currency exchange differences	238	842	65	6,769	538	8,452
Additions	-	-	599	25,214	40	25,853
Disposals/Written off	-	-	-	(6,468)	-	(6,468)
Transfers	-	-	6,675	-	(6,675)	-
Reclassification from investment property (Note 20)	-	-	1,230	-	-	1,230
Reclassification from right-of-use assets (Note 19)	-	-	-	402	-	402
At 31 December 2024	4,073	14,637	67,980	252,560	12,071	351,321

13. ACCOUNTANTS' REPORT (Cont'd)

	Freehold land S\$'000	Freehold buildings S\$'000	Buildings on leasehold land S\$'000	Plant and equipment S\$'000	Construction- in-progress S\$'000	Total S\$'000
Accumulated depreciation						
At 1 January 2021	-	3,037	3,341	133,293	-	139,671
Effect of foreign currency exchange differences	-	(46)	-	(468)	-	(514)
Depreciation for the year	-	307	1,572	9,119	-	10,998
Disposals/Written off	-	-	-	(693)	-	(693)
At 31 December 2021/1 January 2022	-	3,298	4,913	141,251	-	149,462
Effect of foreign currency exchange differences	-	(189)	-	(2,074)	-	(2,263)
Depreciation for the year	-	297	2,605	10,837	-	13,739
Disposals/Written off	-	-	-	(1,408)	-	(1,408)
At 31 December 2022/1 January 2023	-	3,406	7,518	148,606	-	159,530
Effect of foreign currency exchange differences	-	(201)	-	(2,751)	-	(2,952)
Depreciation for the year	-	279	2,605	13,639	-	16,523
Disposals/Written off	-	-	-	(3,968)	-	(3,968)
At 31 December 2023/1 January 2024	-	3,484	10,123	155,526	-	169,133
Effect of foreign currency exchange differences	-	223	-	2,818	-	3,041
Depreciation for the year	-	471	2,291	15,931	-	18,693
Disposals/Written off	-	-	-	(5,532)	-	(5,532)
At 31 December 2024	-	4,178	12,414	168,743	-	185,335
Net carrying amount						
At 31 December 2021	4,331	12,251	54,457	36,765	4,311	112,115
At 31 December 2022	4,080	11,255	51,852	55,592	12,649	135,428
At 31 December 2023	3,835	10,311	49,288	71,117	18,168	152,719
At 31 December 2024	4,073	10,459	55,566	83,817	12,071	165,986

13. ACCOUNTANTS' REPORT (Cont'd)

The details of the freehold buildings and buildings on leasehold land held by the Group are as follows:

<u>Description and location</u>	<u>Tenure</u>
1058, Jalan Kebun Baru, Juru and Lot 20020, Pecahan Lot 702 Mukim 13, 14100 Simpang Ampat, Seberang Perai Tengah, Pulau Pinang, Malaysia	Freehold
23 Changi North Crescent, Singapore 499616	30 years lease from 16 August 1997, with an option to extend for a further 30 years
25 Changi North Crescent, Singapore 499617	30 years lease from 1 February 2003
32 Gul Lane, Singapore 629426	30 years lease from 1 January 1993, with an option to extend for a further 30 years
34 Gul Lane, Singapore 629428	30 years lease from 1 October 2000 and ending 30 September 2030
1 Tuas South Tuas South Ave 6, #06-15, The Westcom, Singapore 637021	60 years lease from 9 July 1996 and ending 8 July 2056
No. 16 Seletar Aerospace Crescent, Singapore 797567 ⁽¹⁾	30 years commencing 1 February 2015
No. 2 Loyang Way 4, Singapore 507098 ⁽¹⁾ (Erected 2-storey factory with a mezzanine level and a single-storey rear extension)	30 years commencing 1 June 2007
No. 2 Loyang Way 4, Singapore 507098 ⁽¹⁾ (Erected 4-storey factory building with provision of secondary workers' dormitory)	23 years 10 months commencing 1 August 2013
Lot P30, Lorong PSPN 9, Penang Science Park North, Mukim 13, 14100 Simpang Ampat, Seberang Perai Tengah, Pulau Pinang, Malaysia	60 years leasehold commencing 13 March 2022
Lot P30A, Lorong PSPN 9, Penang Science Park North, Mukim 13, 14100 Simpang Ampat, Seberang Perai Tengah, Pulau Pinang, Malaysia	60 years leasehold commencing 16 April 2022

⁽¹⁾ As at 31 December 2024, the Group's buildings on leasehold land with a net carrying amount of S\$37,371,000 (2023: S\$39,410,000; 2022: S\$41,452,000; 2021: S\$43,495,000) are pledged to banks as security for certain banking facilities granted to the Group (Note 24).

13. ACCOUNTANTS' REPORT (Cont'd)

19. RIGHT-OF-USE ASSETS

The Group as a lessee

Nature of the Group's leasing activities

Leasehold land and buildings

The Group entered into leases and makes annual lease payments for the leasehold land and buildings in respect of its offices and factories. There are no externally imposed covenants on these lease arrangements. As at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024, right-of-use assets acquired under leasing arrangements comprise:

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Carrying amount				
Leasehold land	9,751	9,267	9,258	8,609
Buildings	333	217	85	725
Office equipment	30	36	28	11
Machinery and equipment	4,530	1,432	544	-
Motor vehicles	16	-	-	-
	<u>14,660</u>	<u>10,952</u>	<u>9,915</u>	<u>9,345</u>

The movements of the carrying amount is as follows:

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Net carrying amount				
At 1 January	4,755	14,660	10,952	9,915
Effect of foreign currency exchange differences	3	(7)	(11)	27
Acquisition of a subsidiary	11,173	-	-	-
Additions	-	209	850	1,055
Depreciation for the year	(1,271)	(1,712)	(1,243)	(943)
Lease reassessment	-	-	(213)	(307)
Reclassification to property, plant and equipment (Note 18)	-	(2,198)	(420)	(402)
At 31 December	<u>14,660</u>	<u>10,952</u>	<u>9,915</u>	<u>9,345</u>

Certain machinery and equipment under the leasing arrangements have been fully repaid during the FYE 2022, FYE 2023 and FYE 2024 and are therefore, reclassified to property, plant and equipment.

The Group has lease contracts for leasehold land and buildings with average tenure of between 2 and 60 years.

The leasing arrangements of the leasehold land at 23 Changi North Crescent, Singapore 499616 and 32 Gul Lane, Singapore 629426 have an option to extend for a further 30 years till 16 August 2057 and 31 December 2052 respectively. The Group is reasonably certain to exercise these options. The right-of-use assets are depreciated over the period of the lease terms. Depreciation starts at the commencement date of the leases.

13. ACCOUNTANTS' REPORT (Cont'd)

Amount recognised in profit or loss during the Relevant Financial Periods is as follows:

	Note	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Depreciation expense on right-of-use assets		1,271	1,712	1,243	943
Expenses relating to short-term and low value leases		-	-	62	238
Interest expense on lease liabilities	11	<u>410</u>	<u>463</u>	<u>446</u>	<u>499</u>
Total cash outflow for all leases		<u>1,515</u>	<u>1,801</u>	<u>1,388</u>	<u>1,855</u>

20. INVESTMENT PROPERTY

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Cost				
At 1 January	4,033	4,098	4,098	4,130
Additions	65	-	32	25
Reclassification to property, plant and equipment (Note 18)	-	-	-	(4,155)
At 31 December	<u>4,098</u>	<u>4,098</u>	<u>4,130</u>	<u>-</u>
Accumulated depreciation				
At 1 January	2,285	2,441	2,601	2,762
Depreciation for the year	156	160	161	163
Reclassification to property, plant and equipment (Note 18)	-	-	-	(2,925)
At 31 December	<u>2,441</u>	<u>2,601</u>	<u>2,762</u>	<u>-</u>
Net carrying amount				
At 31 December	<u>1,657</u>	<u>1,497</u>	<u>1,368</u>	<u>-</u>

Investment property relates to the leasehold property at 25 Changi North Crescent, Singapore 499617 held by a subsidiary under an operating lease to earn rental income. During the FYE 2024, rental income and direct operating expenses related to the investment property amounted to S\$ Nil (2023: S\$ Nil; 2022: S\$ Nil; 2021: S\$ Nil) and S\$364,926 (2023: S\$372,265; 2022: S\$357,483; 2021: S\$102,500) respectively.

The tenure of the leasehold property is a 30-year lease from 1 February 2003.

The Group did not generate rental income for the FYE 2021, FYE 2022 and FYE 2023 in relation to the above property since the previous tenant vacated the space as the management was actively seeking for new business opportunities during the aforementioned financial years. However, during the FYE 2024, the leasehold property is being used as owner-occupied property within the Group. In view of the change in usage of the property, the Group has reclassified to property, plant and equipment as at 31 December 2024.

The estimated fair value of the leasehold property amounted to S\$ Nil (2023: S\$5,195,000; 2022: S\$6,600,000; 2021: S\$6,600,000), classified under Level 2 of the fair value hierarchy (as defined in Note 36(b)(i)), as determined on the basis of management's review of similar properties in the market as at 31 December 2021, 31 December 2022 and 31 December 2023. The key input applied in the estimation of the investment property was unit price per square foot. There was no change to the valuation technique during the FYE 2021, FYE 2022 and FYE 2023.

13. ACCOUNTANTS' REPORT (Cont'd)

21. SUBSIDIARIES

Details of the subsidiaries of UMS are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective percentage of equity held by Group			
			2021 %	2022 %	2023 %	2024 %
<u>Held by the Company</u>						
UMS Systems Pte Ltd	Singapore	Assembly and integration of equipment and automated assembly lines.	100	100	100	100
UMS International Pte Ltd	Singapore	Investment holding.	100	100	100	100
UMS Pte Ltd	Singapore	Investment holding and precision machining of medical and wafer fabrication equipment parts manufacturers and providing electroplating and anodising services.	100	100	100	100
UMS Aerospace Pte Ltd	Singapore	Precision machining of machine parts for oilfield precision component manufacturers and other industries.	100	100	100	100
Integrated Manufacturing Technologies Pte Ltd	Singapore	Stainless steel gaslines and weldment manufacturing and assembly.	100	100	100	100
Ultimate Machining Solutions (M) Sdn Bhd	Malaysia	Manufacture of precision machining components, assembly and integration of equipment and automated assembly lines.	100	100	100	100
Kalf Engineering Pte Ltd	Singapore	Manufacturing and repairing of waste water treatment equipment and supply of environmentally-friendly, electrolyte water disinfection system and other related products.	51	51	51	51
Starke Singapore Pte Ltd	Singapore	Trading of non-ferrous metal alloys.	70	70	70	70
Ultimate Mechanical System Sdn Bhd	Malaysia	Inactive.	100	100	100	100
JEP Holdings Limited (“JEP Holdings”) ¹	Singapore	Investment holding and the provision of management services to its subsidiaries.	72	74	77	80

13. ACCOUNTANTS' REPORT (Cont'd)

Name of subsidiaries	Country of incorporation	Principal activities	Effective percentage of equity held by Group			
			2021 %	2022 %	2023 %	2024 %
<u>Held through UMS International Pte Ltd</u>						
Ultimate Manufacturing Solutions (M) Sdn Bhd	Malaysia	Manufacture of precision machining components, assembly and integration of equipment and automated assembly lines.	100	100	100	100
<u>Held through UMS Pte Ltd</u>						
UMS Solutions Pte Ltd	Singapore	Holder of investment property.	100	100	100	100
<u>Held through Kalf Engineering Pte Ltd</u>						
Zhejiang Kalf Engineering Co Ltd (浙江凯富环境治理工程有限公司)	People's Republic of China	Inactive.	51	51	51	51
<u>Held through Starke Singapore Pte Ltd</u>						
Starke Asia Sdn Bhd	Malaysia	Trading of metal products.	70	70	70	70
<u>Held through Ultimate Machining Solutions (M) Sdn Bhd</u>						
Allstar Manufacturing Sdn Bhd	Malaysia	Inactive.	100	100	100	100
<u>Held through UMS Aerospace Pte Ltd</u>						
Integrated Manufacturing Technologies, LLC	United States of America	Stainless steel gaslines and weldment manufacturing and assembly.	100	100	100	100
<u>Held through JEP Holdings</u>						
JEP Precision Engineering Pte Ltd	Singapore	Precision engineering works for parts used mainly in the aerospace, oil and gas industries, and other general engineering and machinery works.	72	74	77	80
JEP Industrades Pte Ltd	Singapore	Manufacturer, importers and exporters, traders, agents, repairs of precision machineries, carbide cutting tools, hardware, industrial equipment and engineering works.	72	74	77	80
JEP Engineering Pte Ltd (Formerly known as Dolphin Engineering Pte Ltd)	Singapore	Large format precision engineering and equipment fabrication service.	72	74	77	80

13. ACCOUNTANTS' REPORT (Cont'd)

Name of subsidiaries	Country of incorporation	Principal activities	Effective percentage of equity held by Group			
			2021 %	2022 %	2023 %	2024 %
JEP Precision Engineering (M) Sdn Bhd	Malaysia	Steel structure fabrication and high precision machining for aerospace, semiconductor and oil and gas industries.	72	74	77	80

Note:

¹ JEP Holdings is an investment holding company and listed on the Catalist Board of SGX-ST.

There have been no significant changes in the nature of the principal activities during the Relevant Financial Periods under review.

Acquisition of a subsidiary – JEP Holdings

On 21 April 2021, the Company acquired 54,229,355 shares (or 13.10%) in JEP Holdings for S\$10.9 million from Mr. Zee Hoong Huay. Subsequently, the Company progressively acquired additional 72,851,511 shares in JEP Holdings (or 17.6%) for S\$14.6 million from the open market as well as under the mandatory unconditional cash offer in accordance with Rule 14.1(b) of the Singapore Code on Take-overs and Mergers. As a result, JEP Holdings became a subsidiary of the Company with effect from April 2021. In the last quarter of the FYE 2021, the Company acquired additional 2,727,300 shares in JEP Holdings from the open market and increase its ownership of JEP Holdings to 72.21% as at 31 December 2021.

Subsequent increase of shareholdings in JEP Holdings

During the FYE 2022, the Company acquired additional 6,812,400 shares in JEP Holdings from the open market for S\$2.6 million and increase its ownership of JEP Holdings to 73.85% as at 31 December 2022.

During the FYE 2023, the Company acquired additional 11,238,200 shares in JEP Holdings from the open market for S\$3.7 million and increase its ownership of JEP Holdings to 76.58% as at 31 December 2023.

During the FYE 2024, the Company acquired additional 12,297,300 shares in JEP Holdings from the open market for S\$4.2 million and increase its ownership of JEP Holdings to 79.55% as at 31 December 2024.

The Group has elected to measure the non-controlling interest at the non-controlling interest's proportionate share of the acquired subsidiary's identifiable net assets.

The effect of the change in the Group's ownership interest in JEP Holdings on the equity attributable to the owners of the Company is summarised below:

	2022 S\$'000	2023 S\$'000	2024 S\$'000
Consideration paid for acquisition of non-controlling interests	2,604	3,693	4,168
Decrease in equity attributable to non-controlling interests	(1,480)	(2,042)	(2,304)
Decrease in equity attributable to owners of the Company	<u>1,124</u>	<u>1,651</u>	<u>1,864</u>

13. ACCOUNTANTS' REPORT (Cont'd)

Goodwill and loss from acquisition of a subsidiary, JEP Holdings

In the FYE 2021, a goodwill of S\$6,268,000 was recognised in the consolidated statements of financial position arising from the acquisition of JEP Holdings because the consideration paid was higher than the fair value of the identifiable net assets. Following the acquisition, a loss on deemed disposal of an associate (now a subsidiary) of S\$2,015,000 was recognised in the consolidated income statements.

Assets acquired and liabilities assumed at the date of acquisition of JEP Holdings were as follows:

	30 April 2021 S\$'000
Property, plant and equipment	57,659
Intangible asset	2,400
Right-of-use assets	11,173
Inventories	19,479
Trade and other receivables	14,395
Cash and bank deposits	15,219
Trade and other payables	(6,759)
Tax payable	(147)
Deferred tax	(6,766)
Bank borrowings	(27,536)
Lease liabilities	(7,928)
Total identifiable net assets at fair value	71,189
Less: Non-controlling interests	(32,899)
	38,290
Less: Consideration paid in cash	(10,852)
Fair value of previously-held interests	(33,706)
Goodwill	(6,268)

Impact of acquisition on the results of the Group

From the date of acquisition on 30 April 2021 to 31 December 2021, JEP Holdings contributed a total revenue of approximately S\$56,021,000 and a net profit for the year of approximately S\$6,967,000 to the Group's results.

Had this business combination been effected at 1 January 2021, the consolidated revenue of the Group would have been approximately S\$288,918,000 and the profit for the year would have been S\$58,469,000. The Directors of the Group consider these "pro-forma" numbers to represent an approximate measure of the performance of the Group on an annualised basis and to provide a reference point for comparison in future periods.

The impact on acquisition on the cash flows of the Group is as follows:

	30 April 2021 S\$'000
<u>Impact on acquisition on the cash flows of the Group</u>	
Purchase consideration in cash	10,852
Less: Cash and bank balances	(15,219)
Net cash inflow on acquisition	4,367

The effect on the equity attributable to owners of the Company following the progressive acquisition of equity interests is as follows:

	S\$'000
Consideration paid for acquisition of non-controlling interests	15,402
Decrease in equity attributable to non-controlling interests	(13,714)
Decrease in equity attributable to owners of the Company	1,688

13. ACCOUNTANTS' REPORT (Cont'd)

Material non-controlling interests ("NCI")

The Group has nine non-wholly-owned subsidiaries of which the NCI of JEP Holdings and its subsidiaries are considered material.

Interests in subsidiaries with material non-controlling interests:

Name of subsidiary	Country of incorporation/ principal place of business	Proportion of ownership and voting rights held by NCI				Total comprehensive income allocated to NCI				Accumulated NCI			
		2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
		%	%	%	%	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
JEP Holdings and its subsidiaries	Singapore	28	26	23	20	1,936	1,982	392	639	21,121	21,004	20,206	18,541
Individual subsidiaries with non-material NCI						2,587	2,025	841	249	4,250	6,894	6,883	7,132
Total						4,523	4,007	1,233	888	25,371	27,898	27,089	25,673

The summarised financial information for JEP Holdings and its subsidiaries is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Summarised consolidated statements of financial position

	----- JEP Holdings -----			
	2021	2022	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Current				
Assets	60,636	59,893	55,260	54,431
Liabilities	(19,941)	(19,768)	(15,395)	(17,135)
Net current assets	40,695	40,125	39,865	37,296
Non-current				
Assets	59,770	63,578	62,646	62,899
Liabilities	(32,581)	(28,527)	(26,038)	(20,152)
Net non-current assets	27,189	35,051	36,608	42,747
Net assets	67,884	75,176	76,473	80,043

Summarised consolidated statements of comprehensive income

	----- JEP Holdings -----			
	2021	2022	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	75,899	82,556	58,146	56,910
Profit before income tax	9,524	9,156	2,112	3,649
Income tax	(1,670)	(1,591)	(437)	(523)
Profit after tax	7,854	7,565	1,675	3,126
Total comprehensive income	7,798	7,292	1,297	3,570
Other summarised information				
Cash flow generated from operating activities	12,358	20,205	3,395	6,043
Cash flow used in investing activities	(4,837)	(10,054)	(5,022)	(6,149)
Cash flow used in financing activities	(3,816)	(5,873)	(2,988)	(6,461)

13. ACCOUNTANTS' REPORT (Cont'd)

22. INVESTMENT IN AN ASSOCIATE

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Quoted equity shares, at cost	32,172	-	-	-
Share of profit of associate	3,549	-	-	-
Deemed disposal of associate	(35,721)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Movement in the allowance for impairment loss of investment in associate:

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
At 1 January	(5,900)	-	-	-
Deemed disposal of an associate	5,900	-	-	-
At 31 December	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

On 12 April 2021, the Company acquired additional equity stake in JEP Holdings from Mr Zee Hoong Huay, resulting in the increase of its ownership in JEP Holdings from 40.69% to 53.79%. Refer Note 21 to the financial statements for further information, including the effect arising from deemed disposal.

23. INTANGIBLE ASSETS

	Goodwill S\$'000	Customer relationship* S\$'000	Total S\$'000
Cost			
At 1 January 2021	82,201	-	82,201
Acquisition of a subsidiary – JEP Holdings	6,268	2,400	8,668
At 31 December 2021, 2022, 2023 and 2024	<u>88,469</u>	<u>2,400</u>	<u>90,869</u>
Accumulated amortisation			
At 1 January 2021	-	-	-
Amortisation for the year	-	(200)	(200)
At 31 December 2021/1 January 2022	-	(200)	(200)
Amortisation for the year	-	(300)	(300)
At 31 December 2022/1 January 2023	-	(500)	(500)
Amortisation for the year	-	(300)	(300)
At 31 December 2023/1 January 2024	-	(800)	(800)
Amortisation for the year	-	(300)	(300)
At 31 December 2024	-	(1,100)	(1,100)
Accumulated impairment			
At 31 December 2021, 2022, 2023 and 2024	<u>(2,118)</u>	<u>-</u>	<u>(2,118)</u>
Net carrying amount			
At 31 December 2021	<u>86,351</u>	<u>2,200</u>	<u>88,551</u>
At 31 December 2022	<u>86,351</u>	<u>1,900</u>	<u>88,251</u>
At 31 December 2023	<u>86,351</u>	<u>1,600</u>	<u>87,951</u>
At 31 December 2024	<u>86,351</u>	<u>1,300</u>	<u>87,651</u>

* The customer relationship arose as a result of the acquisition of JEP Holdings. The estimated useful life of the customer relationship is 8 years which has an average remaining amortisation period of 4 years (2023: 5 years; 2022: 6 years; 2021: 7 years). In the opinion of the Directors of the Company, there is no indication that the carrying value cannot be recovered from the business operations in the future periods.

13. ACCOUNTANTS' REPORT (Cont'd)

(a) Allocation of goodwill to cash-generating units

Goodwill acquired through business combinations has been allocated for impairment testing purposes to the following cash-generating units ("CGUs"):

- Welding – United States of America (Welding-USA)
- Welding – Singapore (Welding-SG)
- Semiconductor
- Aerospace and complex equipment

The goodwill arising on consolidation relates to the excess of the Group's share of net identifiable assets acquired in the following CGUs as set out below:

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Welding – USA	1,586	1,586	1,586	1,586
Welding – SG	17,795	17,795	17,795	17,795
Semiconductor	60,702	60,702	60,702	60,702
Aerospace and complex equipment	6,268	6,268	6,268	6,268
	<u>86,351</u>	<u>86,351</u>	<u>86,351</u>	<u>86,351</u>

There were no significant exchange differences on translation of goodwill as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024.

(b) Impairment testing of goodwill

The recoverable amounts of the 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. The post-tax discount rate applied to the cash flow projections, budgeted gross margins, and the forecasted growth rates used to extrapolate cash flow projections beyond the five-year period are as follows:

	2021	2022	2023	2024
Gross margin	15% - 53%	14% - 50%	8% - 50%	7% - 51%
Long term growth rate used for terminal value	-	-	-	-
Discount rates	<u>12.1% - 16.9%</u>	<u>12.7% - 16.9%</u>	<u>13.2% - 19.7%</u>	<u>12.7% - 18.7%</u>

Further information on the significant CGUs are as follows:

	<----- Semiconductor ----->				<----- Welding SG ----->			
	2021	2022	2023	2024	2021	2022	2023	2024
Gross margin	53%	50%	50%	51%	41%	32%	47%	49%
Long term growth rate used for terminal value	-	-	-	-	-	-	-	-
Discount rates	<u>16.9%</u>	<u>12.7%</u>	<u>13.2%</u>	<u>12.7%</u>	<u>16.9%</u>	<u>15.9%</u>	<u>17.4%</u>	<u>16.6%</u>

The budgeted gross margin is based on past performance and expectations of market developments. The discount rates reflect specific risks relating to the relevant segments.

13. ACCOUNTANTS' REPORT (Cont'd)

These assumptions were used for the analysis of the CGU. Management recognises the speed of technological change and the possibility of new entrants that can have a significant impact on the growth rate assumptions. The effect of new entrants is not expected to have a significant adverse impact on the forecasts included in the budget.

(c) Sensitivity analysis

Management considered that any reasonable possible changes in the above key assumptions applied are not likely to materially cause the recoverable amounts of the CGUs to be lower than their respective carrying amounts.

24. BANK BORROWINGS AND LOAN FROM RELATED PARTIES

	Note	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Secured					
Term loans - non-current	(a)	22,685	18,361	15,751	-
Term loans - current	(a)	3,101	2,549	2,790	754
		<u>25,786</u>	<u>20,910</u>	<u>18,541</u>	<u>754</u>
Unsecured					
Short-term bank loan - current	(b)	8,500	9,000	4,000	-
Loan from related parties - current	(c)	1,403	909	-	-
		<u>9,903</u>	<u>9,909</u>	<u>4,000</u>	<u>-</u>
		<u>35,689</u>	<u>30,819</u>	<u>22,541</u>	<u>754</u>
Analysed as:					
Non-current:					
- Term loans		<u>22,685</u>	<u>18,361</u>	<u>15,751</u>	<u>-</u>
Current:					
- Term loans		<u>3,101</u>	<u>2,549</u>	<u>2,790</u>	<u>754</u>
- Short-term bank loan		<u>8,500</u>	<u>9,000</u>	<u>4,000</u>	<u>-</u>
		<u>11,601</u>	<u>11,549</u>	<u>6,790</u>	<u>754</u>
- Loan from related parties		<u>1,403</u>	<u>909</u>	<u>-</u>	<u>-</u>
		<u>13,004</u>	<u>12,458</u>	<u>6,790</u>	<u>754</u>

(a) Secured term loans of a subsidiary comprise the following:

- A 5-year temporary bridging loan was granted to a subsidiary in 2020. The secured term loan granted to the subsidiary is repayable over 48 monthly instalments starting from the 13th month from the drawdown date of 30 July 2020. The first monthly instalment was on 30 August 2021.
- A Seletar Aerospace Park ("SAP") term loan was granted to a subsidiary in 2022 for the construction of Seletar Aerospace Park building. The secured term loan granted to the subsidiary was repayable over 180 monthly principal instalments of S\$92,595 each. The term loan was fully repaid during the FYE 2024.
- The 15-year secured term loan granted to a subsidiary in 2014 was repayable over 180 monthly instalments over a period of 15 years. The term loan was fully repaid during the FYE 2024.

The effective interest rates are between 1.50% and 5.56% (2023: 1.50% and 5.62%; 2022: 1.50% and 3.11%; 2021: 1.93% and 2.16%).

13. ACCOUNTANTS' REPORT (Cont'd)

The SAP term loan and 15-year secured term loan are secured over buildings on leasehold land with a net carrying amount of S\$16,732,000 (2023: S\$17,615,000; 2022: S\$18,500,000; 2021: SAP term loan, 10-year and 15-year secured term loans were secured over buildings on leasehold land with a net carrying amount of S\$22,546,000) (Note 18). The bridging loan is secured by a corporate guarantee provided by JEP Holdings.

The Group has financial covenants attached to the term loans and facilities which relates to restriction of limits imposed on the maintenance of the Group's certain ratios. As at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024, the Group has observed these financial covenants accordingly.

- (b) The unsecured bank loan bears fixed interest at 4.16% (2023: 4.16%; 2022: 4.09% - 4.19%; 2021: 0.80% - 2.35%) per annum and with a maturity period of less than three months. The bank loan was fully repaid during the FYE 2024.
- (c) In the FYE 2022, the loan from related parties carried interest at 2.50% (2021: 2.50%) per annum and related to an amount owing by a subsidiary to a Director and a former Director, which was repayable on demand. The amount has been fully repaid during the FYE 2023.

The management estimated the fair values of the Group's long-term bank loans approximated their carrying amounts as the effective interest rates approximated current market interest rates on or near the end of the respective reporting periods .

25. TRADE AND OTHER PAYABLES

	Note	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Trade payables:					
Third parties		25,954	31,055	21,090	17,836
Related parties		51	-	-	-
		<u>26,005</u>	<u>31,055</u>	<u>21,090</u>	<u>17,836</u>
Other payables:					
Third parties		1,350	5,065	5,438	5,282
Accrued operating expenses		18,689	19,778	18,443	15,288
Employees and rental deposits		684	150	290	330
		<u>20,723</u>	<u>24,993</u>	<u>24,171</u>	<u>20,900</u>
Deferred income		-	-	-	16
Contract liabilities	6	9,351	1,899	4,385	848
		<u>30,074</u>	<u>26,892</u>	<u>28,556</u>	<u>21,764</u>
Trade and other payables		<u>56,079</u>	<u>57,947</u>	<u>49,646</u>	<u>39,600</u>

The average credit period generally taken to settle trade payables is approximately 60 days (2023: 60 days; 2022: 60 days; 2021: 60 days). The amount payable to related parties was unsecured, interest-free and was repayable based on normal credit terms and fully repaid during the FYE 2022.

Contract liabilities mainly represent amounts of consideration received for the customised equipment billed in advance to the Group's customers.

13. ACCOUNTANTS' REPORT (Cont'd)

26. LEASE LIABILITIES

Extension option

The leases of the leasehold land at 23 Changi North Crescent and 32 Gul Lane include a term extension option for 30 years till 2057 and 2052 respectively, of which the Group has the rights and expects to exercise these options. Accordingly, lease payments in the extension period have been capitalised in the Group's right-of-use assets and lease liabilities. The Group is restricted from assigning and subleasing the leased assets.

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Minimum lease payments due:				
- Not later than 1 year	1,681	1,246	2,405	1,120
- Later than 1 year but within 5 years	3,645	3,126	3,180	3,851
- Later than 5 years	12,152	11,591	10,117	10,524
	17,478	15,963	15,702	15,495
Less: Future finance charges	(6,140)	(5,776)	(5,771)	(5,547)
Present value of financial lease liabilities	11,338	10,187	9,931	9,948

The present value of lease liabilities is analysed as follows:

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Not later than 1 year	1,179	761	1,932	652
Later than 1 year but within 5 years	2,140	1,695	1,731	2,320
Later than 5 years	8,019	7,731	6,268	6,976
	10,159	9,426	7,999	9,296
	11,338	10,187	9,931	9,948

The effective interest rates range between 3.04% and 6.70% (2023: 3.04% and 6.70%; 2022: 3.43% and 6.70%; 2021: 3.43% and 5.25%) per annum as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024.

27. LONG-TERM PROVISION

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Provision for dismantling and removing the item and restoring the site relating to leasehold and investment properties	405	405	405	405
At 1 January/31 December	405	405	405	405

The long-term provision is recognised as part of the initial cost of the right-of-use assets.

The Group makes full provision for the future cost of dismantling and removing the items and restoring the site relating to leasehold and investment properties on a discounted basis. The long-term provision represents the present value of the restoration costs relating to the two office/factory premises held by the Group.

As per the lease agreements, the Group is required to bear the cost of dismantling and removing the items and restoring the factory premises to its original state at the end of the lease period in year 2057 for 23 Changi North Crescent and year 2033 for 25 Changi North Crescent.

13. ACCOUNTANTS' REPORT (Cont'd)

28. SHARE CAPITAL

	2021		2022		2023		2024	
	No. of ordinary shares	S\$'000	No. of ordinary shares	S\$'000	No. of ordinary shares	S\$'000	No. of ordinary shares	S\$'000
Issued and fully paid								
At 1 January	536,429,579	136,623	670,535,941	136,623	670,535,941	136,623	670,535,941	136,623
Bonus shares issue ⁽¹⁾	134,106,362	-	-	-	-	-	-	-
Issuance of ordinary shares	-	-	-	-	-	-	40,000,000	51,600
Share issuance costs	-	-	-	-	-	-	-	(1,682)
At 31 December	<u>670,535,941</u>	<u>136,623</u>	<u>670,535,941</u>	<u>136,623</u>	<u>670,535,941</u>	<u>136,623</u>	<u>710,535,941</u>	<u>186,541</u>

⁽¹⁾ On the basis of 1 bonus share for every 4 existing ordinary shares in the share capital of the Company.

These ordinary shares have no par value, carry one vote per share and carry a right to dividend, as and when declared by the Company.

During the FYE 2024, the Company issued 40,000,000 ordinary shares pursuant to a placement exercise for a total consideration of S\$51,600,000, for the purpose of funding capital expenditures for the growth of the Group's business, general working capital and future business developments through potential investments, acquisition, joint ventures and collaborations.

29. TREASURY SHARES

	2021		2022		2023		2024	
	No. of ordinary shares	S\$'000	No. of ordinary shares	S\$'000	No. of ordinary shares	S\$'000	No. of ordinary shares	S\$'000
At 1 January	3,000,000	1,919	4,414,837	2,064	2,122,137	891	664,837	145
Sold during the year	-	-	(2,292,700)	(1,173)	(1,457,300)	(746)	-	-
Purchase by JEP Holdings during the year	664,837	145	-	-	-	-	-	-
Bonus shares issue ⁽¹⁾	750,000	-	-	-	-	-	-	-
At 31 December	<u>4,414,837</u>	<u>2,064</u>	<u>2,122,137</u>	<u>891</u>	<u>664,837</u>	<u>145</u>	<u>664,837</u>	<u>145</u>

⁽¹⁾ On the basis of 1 bonus share for every 4 existing ordinary shares in the share capital of the Company.

13. ACCOUNTANTS' REPORT (Cont'd)

During the FYE 2024, the Company sold Nil (2023: 1,457,300; 2022: 2,292,700; 2021: Nil) treasury shares for S\$ Nil (2023: S\$1,892,000; 2022: S\$3,056,000; 2021: S\$ Nil) and recognised a gain on the sale of S\$ Nil (2023: S\$1,146,000; 2022: S\$1,883,000; 2021: S\$ Nil) in the retained earnings account.

30. RESERVES

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Foreign exchange translation reserve	11,665	16,814	21,471	13,354

Movement in reserves for the Group is set out in the consolidated statements of changes in equity.

The foreign exchange translation reserve is used to record foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from that of the Company's presentation currency.

31. DIVIDENDS

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
<u>Declared and paid during the financial year</u>				
Dividends on ordinary shares:				
- Final exempt (one-tier) dividend for 2023: 2.2 cents (for 2022: 2 cents; for 2021: 2 cents; for 2020: 1 cent) per share	5,334	13,336	13,411	15,632
- Interim exempt (one-tier) dividend for 2024: 3.2 cents (for 2023: 3.4 cents; for 2022: 3 cents; for 2021: 3 cents) per share	17,337	20,049	22,798	22,737
	<u>22,671</u>	<u>33,385</u>	<u>36,209</u>	<u>38,369</u>

Proposed but not recognised as a liability as at 31 December

Dividends on ordinary shares, subject to shareholders' approval at the Company's Annual General Meeting:				
- Final exempt (one-tier) dividend for 2024: 2 cents (for 2023: 2.2 cents; for 2022: 2 cents; for 2021: 2 cents) per share*	13,336	13,411	15,632	14,211

* The final dividend of S\$15,632,000 for FYE 2023 is inclusive of amount payable to the shareholder of the 40,000,000 placement shares as disclosed in Note 28. The allotment and issuance of the placement shares were completed on 27 February 2024.

13. ACCOUNTANTS' REPORT (Cont'd)

32. RELATED PARTY TRANSACTIONS

A related party is an entity or person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common or joint control with, the entity in governing the financial and operating policies, or that has an interest in the entity that gives it significant influence over the entity in financial and operating decisions. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual.

There are transactions and arrangements between the Group and related parties and the effects of these on the basis determined between the parties are reflected in these consolidated financial statements. In addition to the transactions and balances disclosed elsewhere in the consolidated financial statements, related party transactions include the following expenses:

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
<i>Transactions with related parties</i>				
Interest expenses	35	35	11	-
Consultancy fees	<u>2,220</u>	<u>3,043</u>	<u>3,201</u>	<u>2,386</u>

Related parties comprise mainly companies which are controlled by the Group's key management personnel and their close family members.

Key management compensation

Key management personnel are Directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The below amounts for key management compensation are for all Directors and five (2023: six; 2022: five; 2021: five) other key management personnel. Included in the above amounts are the following items:

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Salaries, bonuses and related benefits	9,008	10,554	10,160	8,253
Defined contribution plans	93	95	114	133
Fees to Directors	<u>379</u>	<u>245</u>	<u>260</u>	<u>200</u>
	<u>9,480</u>	<u>10,894</u>	<u>10,534</u>	<u>8,586</u>
Comprised amounts paid/payable to:				
- Directors of the Company	8,182	8,702	7,948	6,421
- Other key management personnel	<u>1,298</u>	<u>2,192</u>	<u>2,586</u>	<u>2,165</u>
	<u>9,480</u>	<u>10,894</u>	<u>10,534</u>	<u>8,586</u>

The amounts disclosed above represent compensation received/receivable by key management personnel during the Relevant Financial Periods.

13. ACCOUNTANTS' REPORT (Cont'd)

33. CAPITAL COMMITMENTS

Capital expenditure contracted for as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024 but not recognised in the consolidated financial statements is as follows:

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Authorised and contracted but not provided for	<u>24,599</u>	<u>27,952</u>	<u>10,551</u>	<u>23,274</u>

34. SHORT-TERM LEASE

For lease term that ends within 12 months of the date of initial application of SFRS(I) 16, the Group has elected to account for the lease in the same way as short-term lease and included the cost associated with the lease within the disclosure of short-term lease expense in the Relevant Financial Periods that includes the date of initial application.

35. FINANCIAL INFORMATION BY SEGMENTS

The Group's businesses are organised into three main business segments, namely semiconductor, aerospace and others. The semiconductor segment provides precision machining components and equipment modules for semiconductor equipment manufacturers. The aerospace segment provides precision machining services for aerospace, electronics and automotive industry. The others segment mainly provides shipment of water disinfection systems, trading of non-ferrous metal alloys and machine sales and customised cutting tools.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 4(u) to the financial statements.

Intersegment sales and results include transfers between business segments. Such transfers are accounted for at competitive prices charged to external parties for similar goods. Those transfers are eliminated on consolidation. The revenue from external parties is measured in a manner consistent with that in the consolidated statements of comprehensive income.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment assets consist principally of receivables and inventories. Segment liabilities include trade payables and accrued liabilities.

13. ACCOUNTANTS' REPORT (Cont'd)

Segment information about these businesses is presented below:

Business segments

	<----- Semiconductor ----->				<----- Aerospace ----->				<----- Others ----->				<----- Total ----->			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Sales to external parties	242,293	322,379	260,037	204,556	9,952	14,958	22,698	26,320	18,975	35,052	17,172	11,239	271,220	372,389	299,907	242,115
Segment results	71,461	94,760	64,337	43,287	366	1,631	907	2,600	7,572	6,825	3,257	884	79,399	103,216	68,501	46,771
Material non-cash items include:																
Depreciation expense	10,473	12,880	14,779	16,757	1,378	2,136	2,509	2,175	574	595	639	867	12,425	15,611	17,927	19,799
Write-back allowance for trade debts	-	-	-	-	-	(96)	-	-	-	-	-	-	-	(96)	-	-
Write-back allowance for non-trade debts	-	-	-	(7)	-	-	-	-	(13)	-	-	-	(13)	-	-	(7)
Allowance for non-trade debts	-	-	6	-	-	-	-	-	-	-	-	-	-	-	6	-
Allowance for trade debts	-	-	-	-	-	-	-	8	-	-	-	-	-	-	-	8
Allowance for inventories obsolescence	46	475	310	1,664	358	-	-	-	-	172	18	20	404	647	328	1,684
Write-back of inventories obsolescence	(3,130)	(267)	-	-	-	-	-	-	-	-	-	-	(3,130)	(267)	-	-
Inventories written down	3,303	-	-	-	-	-	-	-	-	-	-	-	3,303	-	-	-
Loss on deemed disposal of an associate	-	-	-	-	-	-	-	-	2,015	-	-	-	2,015	-	-	-
Bad debts written off (trade)	37	-	-	-	-	-	-	-	-	-	-	-	37	-	-	-
Write-back of allowance for project loss	-	-	-	-	-	-	-	-	-	-	(497)	-	-	-	(497)	-
Property, plant and equipment written off	19	2	3	32	-	-	-	-	-	-	-	-	19	2	3	32
Loss/(Gain) on disposal of property, plant and equipment	52	(26)	(497)	(30)	(52)	(187)	(187)	(180)	(7)	-	(7)	(10)	(7)	(213)	(691)	(220)
Fair value adjustment on inventories arising from acquisition of a subsidiary	200	-	-	-	1,300	1,500	586	-	500	-	-	-	2,000	1,500	586	-
Waiver of loans from a related party	-	-	-	-	-	-	-	-	(3,904)	-	-	-	(3,904)	-	-	-
Allowance for project loss	-	-	-	-	-	-	-	-	729	-	-	-	729	-	-	-
Total assets	651,788	722,694	810,324	921,063	52,925	49,887	48,844	50,254	57,548	58,256	54,238	49,538	762,261	830,837	913,406	1,020,855
Total assets include:																
Additions to property, plant and equipment	8,778	33,360	35,599	25,557	429	1,972	2,259	205	770	3,201	89	91	9,977	38,533	37,947	25,853
Improvement to investment property	65	-	32	25	-	-	-	-	-	-	-	-	65	-	32	25
Total liabilities	218,764	230,262	262,760	346,806	16,887	14,462	14,580	14,633	34,373	25,220	17,309	12,629	270,024	269,944	294,649	374,068

13. ACCOUNTANTS' REPORT (Cont'd)

A reconciliation of total assets for reportable segments to total assets is as follows:

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Semiconductor	651,788	722,694	810,324	921,063
Aerospace	52,925	49,887	48,844	50,254
Others	57,548	58,256	54,238	49,538
Total assets for reportable segments	762,261	830,837	913,406	1,020,855
Elimination of inter-segment assets	(325,507)	(341,417)	(426,241)	(511,888)
Total assets	<u>436,754</u>	<u>489,420</u>	<u>487,165</u>	<u>508,967</u>

A reconciliation of total liabilities for reportable segments to total liabilities is as follows:

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Semiconductor	218,764	230,262	262,760	346,806
Aerospace	16,887	14,462	14,580	14,633
Others	34,373	25,220	17,309	12,629
Total liabilities for reportable segments	270,024	269,944	294,649	374,068
Elimination of inter-segment liabilities	(137,544)	(148,892)	(194,410)	(309,020)
Total liabilities	<u>132,480</u>	<u>121,052</u>	<u>100,239</u>	<u>65,048</u>

Geographical segments

The Group operates in four principal geographical areas - Singapore, Malaysia, Taiwan and USA. Other key geographical areas include People's Republic of China and South Korea. Sales to external parties in the individual country grouped under "others" did not contribute more than 5% of the total sales of the Group.

In presenting information on the basis of geographical segments, segment revenue is based on the countries of domicile of the customers. Segment assets are based on the geographical location of the assets.

13. ACCOUNTANTS' REPORT (Cont'd)

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	<----- Singapore ----->				<----- USA ----->				<----- Taiwan ----->				<----- Malaysia ----->				<----- Others ----->				<----- Total ----->			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total sales to external parties	189,914	258,552	210,750	163,060	31,481	35,377	34,840	32,618	27,990	39,184	25,952	16,541	11,517	19,979	8,858	17,457	10,318	19,297	19,507	12,439	271,220	372,389	299,907	242,115
Other geographical information:																								
Non-current assets:																								
Property, plant and equipment	73,642	79,813	77,956	77,638	61	90	76	71	-	-	-	-	38,412	55,525	74,687	88,277	-	-	-	-	112,115	135,428	152,719	165,986
Investment property	1,657	1,497	1,368	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,657	1,497	1,368	-
Intangible assets	2,200	1,900	1,600	1,300	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,200	1,900	1,600	1,300
Goodwill	85,427	85,427	85,427	85,427	924	-	-	-	-	-	-	-	-	924	924	924	-	-	-	-	86,351	86,351	86,351	86,351
Right-of-use assets	14,101	10,675	9,634	8,621	330	187	46	714	-	-	-	-	229	90	235	10	-	-	-	-	14,660	10,952	9,915	9,345

Information about major customers

Included in revenue arising from semiconductor segment of S\$204.6 million (2023: S\$260.0 million; 2022: S\$322.4 million; 2021: S\$242.6 million) is revenue of more than 50% (2023: more than 50%; 2022: more than 50%; 2021: more than 50%) which arose from sales to the Group's largest customer.

13. ACCOUNTANTS' REPORT (Cont'd)

36. FINANCIAL INSTRUMENTS

(a) Financial risk management policies and objectives

The Group is exposed to financial risks arising from its operation and the use of financial instruments. The main risks include capital risk, credit risk, interest rate risk, liquidity risk and foreign currency risk. Management reviews and monitors policies for managing each of these risks.

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

(i) Capital risk

When managing capital, the objectives of the Group are: (a) to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and (b) to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk. The Group's overall strategy remains unchanged from 2021.

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

The Group monitors capital on the basis of net debt-to-total equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total liabilities (exclude income tax payable, deferred tax liabilities and long-term provision) less cash and bank balances. The total equity comprises all components of equity (i.e. share capital, treasury shares, reserves and retained earnings).

	2021 S\$'000	2022 S\$'000	2023 S\$'000	2024 S\$'000
Net debt/(cash)	38,020	37,281	14,660	(29,626)
Total equity	<u>304,274</u>	<u>368,368</u>	<u>386,926</u>	<u>443,919</u>
Debt-to-adjusted capital ratio	<u>0.125</u>	<u>0.101</u>	<u>0.038</u>	<u>N.M.</u>

N.M. – Not meaningful as the Group is in a net cash position.

The Group is not subject to any externally imposed capital requirements for the Relevant Financial Periods.

(ii) Credit risk

Credit risk is the risk of financial loss to the Group should there be a counterparty default on its contractual obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, the Group minimise credit risk by dealing exclusively with high credit rating counterparties and/or obtain sufficient security where appropriate to mitigate credit risk. The Group mainly transacts with high credit quality counterparties which are considered to have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers.

13. ACCOUNTANTS' REPORT (Cont'd)

The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by management annually.

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 subjected to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. An ongoing credit evaluation is performed of the receivables' financial conditions.

The carrying amount of cash and bank balances, trade receivables and other current assets represents the Group's maximum exposure to credit risk. Cash and bank balances are placed with banks of good standing. The Group performs ongoing credit evaluation of its customers' financial conditions and maintains a loss allowance where necessary.

As disclosed in Note 15 to the financial statements, the Group uses a provision matrix to measure the lifetime ECL allowance for trade receivables. In measuring the ECLs, trade receivables are grouped based on their shared credit risk characteristics and numbers of days past due. The ECLs on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money, where appropriate.

Credit risk grading guideline

Management has established the Group's internal credit risk grading to the different exposures according to their degree of default risk. The internal credit risk grading which are used to report the Group's credit risk exposure to key management personnel for credit risk management purposes are as follows:

Internal rating grades	Definition	Basis of recognition of ECL
i. Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
ii. Under-performing	There has been a significant increase in credit risk since initial recognition (i.e. interest and/or principal repayment are more than 30 days past due).	Lifetime ECL (not credit-impaired)
iii. Non-performing	There is evidence indicating that the asset is credit-impaired (i.e. interest and/or principal repayments are more than 90 days past due).	Lifetime ECL (credit-impaired)
iv. Write-off	There is evidence indicating that there is no reasonable expectation of recovery as the debtor is in severe financial difficulty.	Asset is written off

13. ACCOUNTANTS' REPORT (Cont'd)

The Group's provision for loss allowance is based on past due as the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at Relevant Financial Periods are set out in the provision matrix as follows:

		<----- Past due ----->				
	Current	Within	30 to	60 to	More	Total
	S\$'000	30	60	90	than 90	S\$'000
	S\$'000	days	days	days	days	
		S\$'000	S\$'000	S\$'000	S\$'000	
31 December 2021						
<u>Semiconductor</u>						
Expected loss rate	0.06%	0.06%	0.15%	0.15%	1.06%	
Trade receivables	32,162	3,839	1,191	242	56	37,490
Allowance for impairment	-^	-^	-^	-^	-^	-
<u>Aerospace</u>						
Expected loss rate	0.11%	0.11%	0.21%	0.21%	100%	
Trade receivables	7,642	682	85	5	157	8,571
Allowance for impairment	-^	-^	-^	-^	(157)	(157)
<u>Other segments</u>						
Expected loss rate	0.28%	0.28%	0.59%	0.59%	1.47%	
Trade receivables	2,315	1,840	731	200	1,347 [@]	6,433
Allowance for impairment	-^	-^	-^	-^	-^	-
						<u>52,337</u>
31 December 2022						
<u>Semiconductor</u>						
Expected loss rate	0.06%	0.06%	0.15%	0.15%	1.06%	
Trade receivables	32,087	6,731	684	506	153	40,161
Allowance for impairment	-^	-^	-^	-^	-^	-^
<u>Aerospace</u>						
Expected loss rate	0.11%	0.11%	0.21%	0.21%	19.87%	
Trade receivables	2,574	288	23	91	307	3,283
Allowance for impairment	-^	-^	-^	-^	(61)	(61)
<u>Other segments</u>						
Expected loss rate	0.28%	0.28%	0.59%	0.59%	1.47%	
Trade receivables	3,244	1,342	568	221	1,212	6,587
Allowance for impairment	-^	-^	-^	-^	-^	-^
						<u>49,970</u>

13. ACCOUNTANTS' REPORT (Cont'd)

		----- Past due ----->				
	Current	Within	30 to	60 to	More	Total
	S\$'000	30	60	90	than 90	S\$'000
		days	days	days	days	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
31 December 2023						
<u>Semiconductor</u>						
Expected loss rate	0.06%	0.06%	0.15%	0.15%	3.50%	
Trade receivables	22,181	6,429	214	130	1,173 [#]	30,127
Allowance for impairment	-^	-^	-^	-^	-^	-^
<u>Aerospace</u>						
Expected loss rate	0.11%	0.11%	0.21%	0.21%	41.78%	
Trade receivables	4,356	502	31	30	146	5,065
Allowance for impairment	-^	-^	-^	-^	(61)	(61)
<u>Other segments</u>						
Expected loss rate	0.28%	0.28%	0.59%	0.59%	3.50%	
Trade receivables	3,630	572	457	253	2,010 [#]	6,922
Allowance for impairment	-^	-^	-^	-^	-^	-^
						<u>42,053</u>
31 December 2024						
<u>Semiconductor</u>						
Expected loss rate	0.05%	0.05%	0.09%	0.87%	6.44%	
Trade receivables	20,380	1,583	68	21	272	22,324
Allowance for impairment	-^	-^	-^	-^	-^	-^
<u>Aerospace</u>						
Expected loss rate	0.09%	0.09%	0.21%	0.21%	15.03%	
Trade receivables	5,154	1,946	1,575	313	459	9,447
Allowance for impairment	-^	-^	-^	-^	(69)	(69)
<u>Other segments</u>						
Expected loss rate	0.28%	0.28%	0.45%	0.45%	1.40%	
Trade receivables	2,293	560	338	65	1,062	4,318
Allowance for impairment	-^	-^	-^	-^	-^	-^
						<u>36,020</u>

^ The ECL is not material.

@ Included in S\$1,347,000 is an amount of S\$1,223,000 pertaining to a project which has yet to be completed as at 31 December 2021.

Subsequent receipts noted for these debts. For one of the subsidiaries, balance repayment is made upon delivery of equipment which is expected to be in the first half of 2024.

For assessment of lifetime ECLs, management has applied the expected loss rates of between 0.05% and 6.44% (2023: between 0.06% and 3.50%; 2022: between 0.06% and 1.06%; 2021: between 0.06% and 1.06%) to the trade receivables for semiconductor, expected loss rates of between 0.09% and 15.03% (2023: between 0.11% and 41.78%; 2022: between 0.11% and 19.87%; 2021: between 0.11% and 100%) to the trade receivables for aerospace and expected loss rates of between 0.28% and 1.40% (2023: between 0.28% and 3.50%; 2022: between 0.28% and 1.47%; 2021: between 0.28% and 1.47%) to the trade receivables for other segments. The ECL is not material.

13. ACCOUNTANTS' REPORT (Cont'd)

The Group's credit risk exposure in relation to other receivables under SFRS(I) 9 as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024 are set out in the credit risk rating grades as follows:

	Internal credit rating	ECL	Gross carrying amount S\$'000	Loss allowance S\$'000	Net carrying amount S\$'000
31 December 2021					
Other receivables and deposits	Performing	12-month ECL	4,120	-	4,120
Other receivables and deposits	Non-performing	Lifetime ECL (credit-impaired)	359	(359)	-
31 December 2022					
Other receivables and deposits	Performing	12-month ECL	1,392	-	1,392
Other receivables and deposits	Non-performing	Lifetime ECL (credit-impaired)	359	(359)	-
31 December 2023					
Other receivables and deposits	Performing	12-month ECL	2,661	-	2,661
Other receivables and deposits	Non-performing	Lifetime ECL (credit-impaired)	365	(365)	-
31 December 2024					
Other receivables and deposits	Performing	12-month ECL	3,886	-	3,886
Other receivables and deposits	Non-performing	Lifetime ECL (credit-impaired)	366	(358)	8

Management has assessed other receivables and deposits to have low credit risk as they are generally not due for payment yet. Management has periodically assessed for any significant increase in the risk of default on the receivables since initial recognition, with a rebuttable presumption that credit risk has increased for debts more than 30 days past due. A financial instrument is determined to have low credit risk if (i) the financial instrument has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when it has an internal or external credit rating that is typically equivalent to the investment grade market convention. Accordingly, the 12-month ECL is not material.

Cash and bank balances, including fixed deposits, are subject to immaterial credit loss as they are entered into banks that are high credit ratings.

13. ACCOUNTANTS' REPORT (Cont'd)

(iii) Interest rate risk

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

The Group is not exposed to any significant interest-bearing financial liabilities as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024, except for bank borrowings, lease liabilities and loan from related parties.

The tables below set out the Group's exposure to interest rate risk. Included in the tables are the financial assets and financial liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Interest bearing S\$'000	Non-interest bearing S\$'000	Total S\$'000
31 December 2021			
<u>Financial assets</u>			
Trade receivables and other current assets (excluding prepayments and advance to suppliers)	-	56,457	56,457
Cash and bank balances	39,223	25,863	65,086
	<u>39,223</u>	<u>82,320</u>	<u>121,543</u>
<u>Financial liabilities</u>			
Bank borrowings	34,286	-	34,286
Loans from related parties	1,403	-	1,403
Trade and other payables (excluding contract liabilities)	-	46,728	46,728
Lease liabilities	11,338	-	11,338
	<u>47,027</u>	<u>46,728</u>	<u>93,755</u>
31 December 2022			
<u>Financial assets</u>			
Trade receivables and other current assets (excluding prepayments, advance to suppliers and down- payment to suppliers of property, plant and equipment)	-	51,362	51,362
Cash and bank balances	39,681	21,991	61,672
	<u>39,681</u>	<u>73,353</u>	<u>113,034</u>
<u>Financial liabilities</u>			
Bank borrowings	29,910	-	29,910
Loans from related parties	909	-	909
Trade and other payables (excluding contract liabilities)	-	56,048	56,048
Lease liabilities	10,187	-	10,187
	<u>41,006</u>	<u>56,048</u>	<u>97,054</u>

13. ACCOUNTANTS' REPORT (Cont'd)

	Interest bearing S\$'000	Non-interest bearing S\$'000	Total S\$'000
31 December 2023			
<u>Financial assets</u>			
Trade receivables and other current assets (excluding prepayments, advance to suppliers and down- payment to suppliers of property, plant and equipment)	-	44,714	44,714
Cash and bank balances	51,045	16,413	67,458
	<u>51,045</u>	<u>61,127</u>	<u>112,172</u>
<u>Financial liabilities</u>			
Bank borrowings	22,541	-	22,541
Trade and other payables (excluding contract liabilities)	-	45,261	45,261
Lease liabilities	9,931	-	9,931
	<u>32,472</u>	<u>45,261</u>	<u>77,733</u>
31 December 2024			
<u>Financial assets</u>			
Trade receivables and other current assets (excluding prepayments, advance to suppliers, down-payment to suppliers of property, plant and equipment and tax recoverable)	-	39,914	39,914
Cash and bank balances	53,874	26,054	79,928
	<u>53,874</u>	<u>65,968</u>	<u>119,842</u>
<u>Financial liabilities</u>			
Bank borrowings	754	-	754
Trade and other payables (excluding contract liabilities and deferred income)	-	38,736	38,736
Lease liabilities	9,948	-	9,948
	<u>10,702</u>	<u>38,736</u>	<u>49,438</u>

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the respective reporting periods and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 0.5% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

A 3% increase/(decrease) in the interest rates as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024, with all variables held constant, would not result in a significant impact in the Group's profit before income tax.

(iv) Liquidity risk

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

13. ACCOUNTANTS' REPORT (Cont'd)

The table below analyses the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows.

	Carrying amount S\$'000	Contractual cash flows S\$'000	Within 1 year S\$'000	Within 2 to 5 years S\$'000	Over 5 years S\$'000
31 December 2021					
Bank borrowings	34,286	35,496	12,113	21,958	1,425
Loans from related parties	1,403	1,403	1,403	-	-
Trade and other payables (excluding contract liabilities)	46,728	46,728	46,728	-	-
Lease liabilities	11,338	17,478	1,681	3,645	12,152
	<u>93,755</u>	<u>101,105</u>	<u>61,925</u>	<u>25,603</u>	<u>13,577</u>
31 December 2022					
Bank borrowings	29,910	32,778	11,983	8,789	12,006
Loans from related parties	909	909	909	-	-
Trade and other payables (excluding contract liabilities)	56,048	56,048	56,048	-	-
Lease liabilities	10,187	15,963	1,246	3,126	11,591
	<u>97,054</u>	<u>105,698</u>	<u>70,186</u>	<u>11,915</u>	<u>23,597</u>
31 December 2023					
Bank borrowings	22,541	26,273	7,316	8,835	10,122
Trade and other payables (excluding contract liabilities)	45,261	45,261	45,261	-	-
Lease liabilities	9,931	15,702	2,405	3,180	10,117
	<u>77,733</u>	<u>87,236</u>	<u>54,982</u>	<u>12,015</u>	<u>20,239</u>
31 December 2024					
Bank borrowings	754	759	759	-	-
Trade and other payables (excluding contract liabilities and deferred income)	38,736	38,736	38,736	-	-
Lease liabilities	9,948	15,495	1,120	3,851	10,524
	<u>49,438</u>	<u>54,990</u>	<u>40,615</u>	<u>3,851</u>	<u>10,524</u>

The carrying amounts of the Company's financial liabilities with a maturity of less than one year are appropriate to the contractual undiscounted cash flow amounts.

(v) Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the entities of the Group. The currency giving rise to this risk is primarily the United States Dollar ("USD").

To manage the aforesaid foreign currency risk, the Group maintains a natural hedge, whenever possible, by depositing foreign currency proceeds from sales into foreign currency bank accounts which are primarily used for payments of purchases in the same currency denomination.

13. ACCOUNTANTS' REPORT (Cont'd)

The Group's exposures to foreign currency risk are as follows:

	Singapore Dollar S\$'000	Japanese Yen S\$'000	Euro S\$'000	Malaysian Ringgit S\$'000	USD S\$'000	Chinese Renminbi S\$'000	Total S\$'000
31 December 2021							
<u>Financial assets</u>							
Cash and bank balances	10,502	3,424	215	15,633	35,237	75	65,086
Trade receivables and other current assets (excluding prepayments and advance to suppliers)	2,648	594	67	6,929	45,608	611	56,457
	13,150	4,018	282	22,562	80,845	686	121,543
<u>Financial liabilities</u>							
Bank borrowings	(34,286)	-	-	-	-	-	(34,286)
Loans from related parties	(1,403)	-	-	-	-	-	(1,403)
Trade and other payables (excluding contract liabilities)	(25,982)	(1,261)	-	(1,969)	(17,505)	(11)	(46,728)
Lease liabilities	(10,965)	-	-	(5)	(368)	-	(11,338)
	(72,636)	(1,261)	-	(1,974)	(17,873)	(11)	(93,755)
Net financial (liabilities)/assets	(59,486)	2,757	282	20,588	62,972	675	27,788
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	54,745	-	-	(13,155)	(4,796)	-	36,794
Currency exposure	(4,741)	2,757	282	7,433	58,176	675	64,582

13. ACCOUNTANTS' REPORT (Cont'd)

	Singapore Dollar S\$'000	Japanese Yen S\$'000	Euro S\$'000	Malaysian Ringgit S\$'000	USD S\$'000	Chinese Renminbi S\$'000	Total S\$'000
31 December 2022							
<u>Financial assets</u>							
Cash and bank balances	9,639	2,530	4,605	4,066	40,785	47	61,672
Trade receivables and other current assets (excluding prepayments, advance to suppliers and down-payment to suppliers of property, plant and equipment)	3,684	1,567	-	1,541	43,991	579	51,362
	13,323	4,097	4,605	5,607	84,776	626	113,034
<u>Financial liabilities</u>							
Bank borrowings	(29,910)	-	-	-	-	-	(29,910)
Loans from related parties	(909)	-	-	-	-	-	(909)
Trade and other payables (excluding contract liabilities)	(33,960)	(1,711)	(623)	(5,623)	(14,127)	(4)	(56,048)
Lease liabilities	(9,879)	-	-	(104)	(204)	-	(10,187)
	(74,658)	(1,711)	(623)	(5,727)	(14,331)	(4)	(97,054)
Net financial (liabilities)/assets	(61,335)	2,386	3,982	(120)	70,445	622	15,980
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	61,857	-	-	513	(6,232)	-	56,138
Currency exposure	522	2,386	3,982	393	64,213	622	72,118

13. ACCOUNTANTS' REPORT (Cont'd)

	Singapore Dollar S\$'000	Japanese Yen S\$'000	Euro S\$'000	Malaysian Ringgit S\$'000	USD S\$'000	Chinese Renminbi S\$'000	Total S\$'000
31 December 2023							
<u>Financial assets</u>							
Cash and bank balances	11,303	5,463	419	2,806	47,422	45	67,458
Trade receivables and other current assets (excluding prepayments, advance to suppliers and down-payment to suppliers of property, plant and equipment)	4,406	1,178	24	1,227	36,800	1,079	44,714
	15,709	6,641	443	4,033	84,222	1,124	112,172
<u>Financial liabilities</u>							
Bank borrowings	(22,541)	-	-	-	-	-	(22,541)
Trade and other payables (excluding contract liabilities)	(21,060)	(514)	(2,220)	(4,076)	(17,391)	-	(45,261)
Lease liabilities	(9,408)	(147)	-	(319)	(57)	-	(9,931)
	(53,009)	(661)	(2,220)	(4,395)	(17,448)	-	(77,733)
Net financial (liabilities)/assets	(37,300)	5,980	(1,777)	(362)	66,774	1,124	34,439
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	37,029	-	-	1,190	(5,271)	-	32,948
Currency exposure	(271)	5,980	(1,777)	828	61,503	1,124	67,387

13. ACCOUNTANTS' REPORT (Cont'd)

	Singapore Dollar S\$'000	Japanese Yen S\$'000	Euro S\$'000	Malaysian Ringgit S\$'000	USD S\$'000	Chinese Renminbi S\$'000	Total S\$'000
31 December 2024							
<u>Financial assets</u>							
Cash and bank balances	19,849	3,363	4,441	1,758	50,472	45	79,928
Trade receivables and other current assets (excluding prepayments, advance to suppliers, down-payment to suppliers of property, plant and equipment and tax recoverable)	5,817	561	41	921	32,476	98	39,914
	<u>25,666</u>	<u>3,924</u>	<u>4,482</u>	<u>2,679</u>	<u>82,948</u>	<u>143</u>	<u>119,842</u>
<u>Financial liabilities</u>							
Bank borrowings	(754)	-	-	-	-	-	(754)
Trade and other payables (excluding contract liabilities and deferred revenue)	(18,616)	(1,705)	(1,137)	(5,374)	(11,900)	(4)	(38,736)
Lease liabilities	(9,168)	-	-	(11)	(769)	-	(9,948)
	<u>(28,538)</u>	<u>(1,705)</u>	<u>(1,137)</u>	<u>(5,385)</u>	<u>(12,669)</u>	<u>(4)</u>	<u>(49,438)</u>
Net financial (liabilities)/assets	(2,872)	2,219	3,345	(2,706)	70,279	139	70,404
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	2,043	-	-	2,280	(3,887)	-	436
Currency exposure	(829)	2,219	3,345	(426)	66,392	139	70,840

13. ACCOUNTANTS' REPORT (Cont'd)

If the following currency strengthens by 10% (2023: 10%; 2022: 10%; 2021: 10%) against S\$ as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024, with all other variables being held constant, the effect arising from the net financial assets position will be as follows:

	Increase profit before income tax S\$'000
<u>31 December 2021</u>	
USD	<u>4,829</u>
<u>31 December 2022</u>	
USD	<u>6,421</u>
<u>31 December 2023</u>	
USD	<u>6,150</u>
<u>31 December 2024</u>	
USD	<u>6,640</u>

A 10% weakening of the above currency against the S\$ as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024 would have the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

(b) Fair value

(i) Fair value of financial instruments

Fair value is defined as the amount at which the financial instruments could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from quoted prices, discounted cash flow models and option pricing models as appropriate.

The Group presents financial assets measured at fair value and classified by level of the following fair value measurement hierarchy:

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

13. ACCOUNTANTS' REPORT (Cont'd)

(ii) ***Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis***

The carrying amounts of financial assets and financial liabilities with a maturity of less than one year (including cash and bank balances, trade and other receivables, bank borrowings, trade and other payables, loans from related parties and lease liabilities) approximate their fair values due to the relatively short-term maturity of these financial instruments.

The carrying amounts of long-term bank borrowings and lease liabilities approximate their fair values as they are subject to interest rates close to market rates of interest for similar arrangement with financial institutions.

37. SUBSEQUENT EVENTS

- (a) On 28 August 2024, a subsidiary of the Company, Ultimate Manufacturing, entered into a Sale and Purchase Agreement ("SPA") with Penang Development Corporation ("PDC") to acquire a new leasehold industrial land measuring 5.38 acres or approximately 235,000 square feet situated in Penang Science Park North, Malaysia ("the Property") for a total purchase consideration of RM15,225,004 (equivalent to approximately S\$4,500,000) ("Purchase Price").

As at 31 December 2024, Ultimate Manufacturing has paid RM7,612,502 (equivalent to approximately S\$2,316,484 and is included in down-payment to suppliers of property, plant and equipment as disclosed in Note 15) to PDC. The balance of the Purchase Price is disclosed as capital commitments as at 31 December 2024 in Note 33.

On 17 February 2025, Ultimate Manufacturing paid the balance of the Purchase Price to PDC. Accordingly, the acquisition of the Property was completed on that date.

- (b) On 27 May 2025, a subsidiary of the Company, Starke Asia Sdn. Bhd., entered into a Sale and Purchase Agreement with a third party to acquire a land together with a unit of single storey factory for a total purchase consideration of RM7,800,000 (equivalent to approximately S\$2,400,000).

As at the date of this report, the acquisition is yet to complete, pending the fulfilment of the conditions precedent. The acquisition is expected to be completed by August 2025.

13. ACCOUNTANTS' REPORT (Cont'd)

UMS INTEGRATION LIMITED
(Formerly known as UMS Holdings Limited)
(Incorporated in Singapore)

STATEMENT BY DIRECTORS

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the consolidated financial statements as set out on pages 4 to 80 are drawn up in accordance with Singapore Financial Reporting Standards (International) which is equivalent to International Financial Reporting Standards, so as to give a true and fair view of the financial position of the Group as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024 and of their financial performance and cash flows for the financial years then ended.

Approved and signed on behalf in accordance with a resolution of the Directors:



CHUA SIONG KIAT



LOH MENG CHONG, STANLEY

Date: 3 June 2025

14. ADDITIONAL INFORMATION

14.1 SHARE CAPITAL

- (i) No future offering of new securities will be allotted or issued on the basis of this Prospectus.
- (ii) As at the LPD, we have only one class of shares in our Company, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.
- (iii) Save as disclosed in Section 6.1.2 of this Prospectus, our Company has not issued or proposed to issue any shares, stocks or debentures as fully or partly paid-up in cash or otherwise, within the 2 years immediately preceding the date of this Prospectus.
- (iv) As at the date of this Prospectus, there is currently no scheme involving our employees and Directors in the share capital of our Company or any of our subsidiaries.
- (v) We have not agreed, conditionally or unconditionally, to put the share capital of our Company or any of our subsidiaries under any option that is currently outstanding.
- (vi) As at the date of this Prospectus, neither we nor our subsidiaries have any outstanding warrants, options, convertible securities or uncalled capital.
- (vii) Save as provided for under our Constitution, of which a summary of certain provisions are set out in Section 14.2 below, and the SCA, there are no other restrictions upon the holding or voting or transfer of our Shares or the interests in any of our Company or our subsidiaries or upon the declaration or payment of any dividend or distribution thereon.

14.2 EXTRACTS OF CONSTITUTION OF OUR COMPANY

In order to facilitate our Secondary Listing, our Company had, via an extraordinary general meeting held on 11 June 2025, obtained the approval of our shareholders for certain amendments to our Constitution to, among others, adopt certain provisions to facilitate the trading and settlement of our Shares on Bursa Securities pursuant to our Secondary Listing. Our new Constitution would be adopted in its entirety upon our Secondary Listing. The new Constitution also seeks to update the provisions in the existing Constitution such that it would be consistent with the SGX Listing Manual prevailing at 15 May 2025, being the latest practicable date for our Company's circular to shareholders in relation to the proposed adoption of the new Constitution of our Company, and also take into account the Companies (Amendment) Act 2014 of Singapore, Companies (Amendment) Act 2017 of Singapore and the Companies, Business Trusts and other Bodies (Miscellaneous Amendments) Act 2023 of Singapore. The following provisions relating to the selected matters are reproduced from our new Constitution.

Director's Remuneration

Regulation 77

"The ordinary remuneration of the Directors, which shall from time to time be determined by an Ordinary Resolution of the Company, shall not be increased except pursuant to an Ordinary Resolution passed at a General Meeting where notice of the proposed increase shall have been given in the notice convening the General Meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. The ordinary remuneration of an executive Director may not include a commission on or a percentage of turnover and the ordinary remuneration of a non-executive Director shall be a fixed sum, and not by a commission on or a percentage of profits or turnover."

14. ADDITIONAL INFORMATION (Cont'd)

Voting of Directors

Regulation 99

“Questions arising at any meeting of the Directors shall be determined by a majority of votes. In case of an equality of votes (except where only two Directors are present and form the quorum or when only two Directors are competent to vote on the question in issue), the Chairman of the meeting shall have a second or casting vote.”

Regulation 100

“A Director shall not vote in respect of any contract or proposed contract or arrangement or any other proposal whatsoever in which he has any personal material interest, directly or indirectly. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.”

Regulation 103

“A resolution in writing signed by the majority of the Directors or their alternates (who are not prohibited by these Regulations from voting on such resolutions), being not less than are sufficient to form a quorum shall be as effective as a resolution duly passed at a meeting of the Directors and may consist of several documents in the like form, each signed by one or more Directors. The expressions “in writing” and “signed” include approval by any such Director by telefax, telex, cable or telegram or any form of electronic communication approved by the Directors for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors.”

Borrowing Powers

Regulation 108

“Subject as hereinafter provided and to the provisions of the Statutes, the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.”

Dividends

Regulation 123

“The Company may by Ordinary Resolution declare Dividends but no such Dividend shall exceed the amount recommended by the Directors.”

Regulation 124

“If and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may declare and pay the fixed Dividends on any class of shares carrying a fixed Dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim Dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.”

Regulation 125

“Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:-

14. ADDITIONAL INFORMATION (Cont'd)

- (a) *all Dividends in respect of shares must be paid in proportion to the number of shares held by a Member, but where shares are partly paid, all Dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and*
- (b) *all Dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the Dividend is paid.*

For the purposes of this Regulation, an amount paid or credited as paid on a share in advance of a call is to be ignored."

Regulation 126

"(A) No Dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes. The payment by the Directors of any unclaimed dividends or other monies payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All Dividends remaining unclaimed after one year from having been first payable may be invested or otherwise made use of by the Directors for the benefit of the Company, and any Dividend or any such monies unclaimed after six (6) years from having been first payable shall be forfeited and shall revert to the Company provided always that the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the Dividend so forfeited to the person entitled thereto prior to the forfeiture. If CDP or the Malaysia share registrar as appointed by the Company returns any such Dividend or monies to the Company, the relevant Depositor shall not have any right or claim in respect of such Dividend or monies against the Company if a period of six years has elapsed from the date of the declaration of such Dividend or the date on which such other monies are first payable.

(B) A payment by the Company to CDP or the dividend account maintained by the Malaysia share registrar as appointed by the Company of any Dividend or other monies payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability to the Depositor in respect of that payment."

Voting Rights

Regulation 62

"(A) Subject to any special rights, privileges or restrictions as to voting attached by or in accordance with these Regulations to any class of shares, and to Regulation 4, each Member entitled to vote may vote in person or by proxy.

(B) On a show of hands every Member who is present in person or by proxy shall have one vote, provided that:

- (a) *in the case of a Member who is not a relevant intermediary and who is represented by two proxies, only one of the two proxies as determined by that Member or, failing such determination, by the Chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and*
- (b) *in the case of a Member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.*

(C) For the purposes of determining the number of votes which a Member, being a Depositor, or his proxy or proxies may cast at any General Meeting on a poll, the references to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 72 hours before the time of the relevant General Meeting. A Member who is bankrupt shall not, while his bankruptcy continues, be entitled to exercise his rights as a Member, or attend, vote or act at any General Meeting.

14. ADDITIONAL INFORMATION (Cont'd)

(D) Each Member shall have one vote for every share which he holds or represents."

Regulation 70

"(A) An instrument appointing a proxy or the power of attorney or other authority, if any:

- (a) if sent personally or by post, must be left at the Office or such other place (if any) as is specified for the purpose in the notice convening the General Meeting; or*
- (b) if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the General Meeting,*

and in either case not less than 72 hours before the time appointed for the holding of the General Meeting or adjourned General Meeting (or in the case of a poll before the time appointed for the taking of the poll) to which it is to be used and in default shall not be treated as valid.

(B) The Directors may, in their absolute discretion, and in relation to such Members or class of Members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communications, as contemplated in Regulation 70(A)(b). Where the Directors do not so specify in relation to a Member (whether of a class or otherwise), Regulation 70(A)(a) shall apply.

(C) An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the General Meeting as for the meeting to which it relates, Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates."

Variation of Rights

Regulation 9

"(A) Whenever the share capital of the Company is divided into different classes of shares, the variation or abrogation of the special rights attached to any class may, subject to the provisions of the Act, only be made with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so made either whilst the Company is a going concern or during or in contemplation of a winding up. To every such separate General Meeting all the provisions of these Regulations relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two or more persons holding at least one-third of the total number of the issued shares of the class present in person or by proxy or attorney and that any holder of shares of the class present in person or by proxy or attorney may demand a poll, Provided Always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, the consent in writing, if obtained from the holders of three-quarters of the total number of the issued shares of the class concerned within two months of such General Meeting, shall be as valid and effectual as a Special Resolution carried at such General Meeting.

(B) The provisions in Regulation 9(A) shall mutatis mutandis apply to any repayment of preference capital (other than redeemable preference capital) and any variation or abrogation of the rights attached to preference shares or any class thereof.

(C) The rights attached to any class of shares having preferential or other rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto."

14. ADDITIONAL INFORMATION (Cont'd)

General Meetings

Regulation 58

“(A) If required by the listing rules of the Designated Stock Exchange, a resolution put to the vote at any General Meeting shall be decided by a poll (unless such requirement is waived by the Designated Stock Exchange)."

“(B) Subject to Regulation 58(A), at any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands by the Members present in person and entitled to vote, unless a poll is (before or on the declaration of the result of the show of hands) demanded by:-"

- (a) the chairman of the meeting; or*
- (b) not less than two Members present in person or by proxy and entitled to vote; or*
- (c) any Member or Members present in person or by proxy, or where such a Member has appointed two or more proxies any one of such proxies, or any number or combination of such Members or proxies, holding or representing as the case may be not less than 5 per cent. of the total voting rights of all the Members having the right to vote at the General Meeting; or*
- (d) any Member or Members present in person or by proxy, or where such a Member has appointed two or more proxies any one of such proxies, or any number or combination of such Members or proxies, holding shares conferring a right to vote at the General Meeting, of which an aggregate sum has been paid up equal to not less than 5 per cent. of the total sum paid up on all the share conferring that right,*

A demand for a poll made pursuant to this Regulation 58(B) may be withdrawn only with the approval of the meeting.

“(C) If any votes be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same General Meeting or at any adjournment thereof and not in any case unless it shall in the opinion of the Chairman be of sufficient magnitude.”

Regulation 59

“Unless a poll is required, a declaration by the chairman of the General Meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets or electronic means) as the chairman of the General Meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was required. The chairman of the General Meeting may (and, if required by the listing rules of the Designated Stock Exchange or if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll. Where required by the listing rules of the Designated Stock Exchange, at least one scrutineer shall be appointed for each General Meeting. The appointed scrutineer(s) shall be independent of the persons undertaking the polling process. Where the appointed scrutineer is interested in the resolution(s) to be passed at the General Meeting, it shall refrain from acting as the scrutineer for such resolution(s). Further, the appointed scrutineer shall exercise the following duties: (a) ensuring that satisfactory procedures of the voting process are in place before the General Meeting; and (b) directing and supervising the count of the votes cast through proxy and in person.”

14. ADDITIONAL INFORMATION (Cont'd)

Regulation 60

"In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the General Meeting at which the show of hands takes place or at which the poll is required shall be entitled to a casting vote."

Alteration of Share Capital

Regulation 10

"(A) The Company may by Ordinary Resolution:-

- (a) consolidate and divide all or any of its share capital;*
- (b) sub-divide its shares, or any of them (subject nevertheless to the provisions of the Act and this Constitution), provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be same as it was in the case of the share from which the reduced share is derived;*
- (c) subject to the provisions of this Constitution and the Act, convert its share capital or any class of shares from one currency to another currency; and/or*
- (d) cancel the number of shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the number of the shares so cancelled.*

(B) The Company may by Special Resolution, subject to and in accordance with the Statutes and the listing rules of the Designated Stock Exchange, convert one class of shares into another class of shares."

Regulation 11

"(A) The Company may reduce its share capital or any other undistributable reserve in any manner permitted, and with, and subject to, any incident authorised, and consent or confirmation required, by law.

(B) The Company may purchase or otherwise acquire its issued shares subject to and in accordance with the provisions of the Statutes (including the Act) and any applicable rules of the Designated Stock Exchange (hereafter, the "Relevant Laws"), on such terms and in such manner as it may from time to time think fit, and subject to such conditions as the Company may in General Meeting prescribe in accordance with the Relevant Laws. Any shares purchased or acquired by the Company as aforesaid shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with the Relevant Laws. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these Regulations and the Statutes, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly."

14. ADDITIONAL INFORMATION (Cont'd)

Transfer of Shares

Regulation 32

“(A) All transfers of shares shall be effected by written instruments of transfer in the form for the time being approved by the Directors and the Designated Stock Exchange. For the avoidance of doubt, the Company will accept for registration a transfer in the form approved by the Designated Stock Exchange.

(B) The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed, provided always that an instrument of transfer in respect of which the transferee is the CDP or Bursa Depository or their nominee(s) (as the case may be) shall be effective although not signed or witnessed by or on behalf of the CDP or Bursa Depository or its nominee(s) (as the case may be). The transferor shall be deemed to remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.”

Regulation 34

“(A) There shall be no restriction on the transfer of shares and the Company shall not refuse to register or fail to register or give effect to any registrable transfer in respect of Shares (except where required by law or by the rules, bye-laws or listing rules of the Designated Stock Exchange) unless (a) the registration of the transfer would result in a contravention of or failure to observe the relevant laws and regulations of the jurisdiction of the Company's incorporation or the listing rules of the Designated Stock Exchange); or (b) the transfer is in respect of a partly paid Share for which a call has been made and is unpaid, Provided Always that in the event of the Directors refusing to register a transfer of shares, the Company shall within ten market days (or such period as the Directors may determine subject to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) after the date on which the application for a transfer of shares was made, serve a notice in writing to the applicant, transferor and/or the transferee stating the facts which are considered to justify the refusal as required by the Statutes.

(B) The Directors may decline to register any instrument of transfer unless:-

- (a) such fee not exceeding S\$2.00 (or such other fee as the Directors may determine subject to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) as the Directors may from time to time require is paid to the Company in respect thereof;*
- (b) the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid;*
- (c) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if stamp duty is payable on such instrument of transfer in accordance with any law for the time being in force relating to stamp duty), the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and*
- (d) the instrument of transfer is in respect of only one class of shares.”*

Winding Up

Regulation 146

“The Directors shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.”

14. ADDITIONAL INFORMATION (Cont'd)

Regulation 147

“If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the Liquidator may, with the authority of a Special Resolution, divide among the Members in specie or in kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members of different classes of Members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.”

14.3 DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer his Shares to the Minister of Finance, Inc. and such Shares may not be traded on Bursa Securities.

Dealing in Shares deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository (“**Depositor**”) by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares will be deemed to be a shareholder of our Company and will be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

14.4 LIMITATION ON THE RIGHT TO HOLD SECURITIES AND/OR EXERCISE VOTING RIGHTS

14.4.1 Quotation on the SGX

Our Shares listed on the SGX are presently deposited with the CDP in our Singapore register, holding such shares as a bare trustee on behalf of depositors with direct securities accounts with the CDP, or on behalf of sub-account holders whose Shares are credited to securities accounts of depository agents. Under the Securities and Futures Act 2001 of Singapore, the persons named as the depositors in a Depository Register are, for such period as the Shares are entered against their names in the Depository Register, deemed to be members of our Company in respect of the amount of Shares entered against their respective names in the Depository Register, and will be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares. A sub-account holder whose shares are held with a depository agent does not have any right to Shares deposited with the CDP but is entitled to a pro rata share computed on the basis of the Shares credited to one or more accounts maintained by the sub-account holder with a depository agent, and can only be represented at a general meeting of our Company if they are appointed as a depository agent’s proxy at a general meeting.

For the avoidance of doubt, CDP or its nominees, and depository agents, are not regarded as having an interest in our Shares in respect of our Shares registered in their respective names.

14. ADDITIONAL INFORMATION *(Cont'd)*

14.4.2 Quotation on the Official List

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date fixed, failing which our share registrar will be required to transfer the Shares to the Minister of Finance, and such Shares may not be traded on Bursa Securities.

Dealing in Shares deposited with Bursa Depository may only be effected by a person having a securities account (i.e. CDS account) with Bursa Depository ("**Depositor**") by means of entries in the securities account of that Depositor.

Depositors (holding shares jointly with Bursa Depository) will be recognised as members of our Company by virtue of their names being contained in the Record of Depositors entered in the register of members of our Company at our registered office in Singapore and in the branch register of members of our Company in Malaysia and will be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

Subject to the above, there is no limitation on the right to our Shares, including any limitation on the right of a resident or Malaysian shareholder to hold or exercise voting rights on our Shares, which is imposed by the Singapore law or by our Constitution.

14.5 REPATRIATION OF CAPITAL, REMITTANCE OF PROFIT AND TAXATION

14.5.1 Singapore

There are currently no foreign exchange controls in Singapore in respect of repatriation of capital and remittance of profit. Singapore does not impose withholding tax on dividends paid by a Singapore company. Under the one-tier corporate tax system in Singapore, which currently applies to all Singapore tax resident companies, tax payable in respect of taxable corporate profits is a final tax and dividends paid by a Singapore tax resident company will be tax exempt in the hands of a shareholder, regardless of the tax residence status or the legal form of the shareholder.

We assume responsibility for the withholding of tax at source in Singapore for certain types of payments made to non-residents of Singapore. Such payments include (but not limited to) interest or other payments made in connection with any loans or indebtedness, royalties, license fees, management fees, rental for the use of movable property, purchase of real property from a non-resident as well as directors' remunerations/fees in the capacity as a non-resident director.

14.5.2 Malaysia

There are foreign exchange control policies in Malaysia which support the monitoring of capital flows into and out of the country in order to preserve its financial and economic stability. The foreign exchange control framework in Malaysia is governed by the Financial Services Act 2013, Islamic Financial Services Act 2013 and FEP Notices. These regulations regulate both residents and non-residents of Malaysia. Under the current FEP Notices issued by BNM, non-residents are free to repatriate capital, profits, dividends, rental, fees and interest arising from investments in Malaysia, provided that such repatriation is made in foreign currency except in the currency of Israel. The repatriation of funds is subject to the applicable reporting requirements and any withholding tax. There is no annual threshold for repatriation of funds by non-residents pursuant to the current FEP Notices issued by BNM.

14. ADDITIONAL INFORMATION (Cont'd)

14.6 MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contracts that are not in the ordinary course of our Group's business within the period covered by the historical financial information as disclosed in this Prospectus up to the date of this Prospectus:

14.6.1 Letter of Award dated 29 April 2021 in respect of the construction of a factory on PN 12096, Lot 21049, Mukim 13, Daerah Seberang Perai Tengah, Negeri Pulau Pinang

On 29 April 2021, Ultimate Mechanical entered into a letter of award with S.H. Butterworth Engineering Sdn Bhd to construct a factory containing a single-storey factory with double-storey office, a single-storey guard house and an electrical substation on PN 12096, Lot 21049, Mukim 13, Daerah Seberang Perai Tengah, Negeri Pulau Pinang for a total cash consideration of RM14.6 million. The construction was completed and a CCC was issued on 26 December 2023. For further details on the property, see Annexure E of this Prospectus.

14.6.2 Sale and purchase agreement dated 28 August 2024 in respect of the acquisition of property under Plot P30B, Mukim 13, Daerah Seberang Perai Tengah, Utara Penang Science Park, Pulau Pinang

On 28 August 2024, Ultimate Manufacturing entered into a sale and purchase agreement with Penang Development Corporation to acquire a piece of vacant land known as Plot P30B, Mukim 13, Daerah Seberang Perai Tengah, Utara Penang Science Park, Pulau Pinang measuring approximately 21,760.6 square metres for a total cash consideration of RM15.2 million. The sale and purchase agreement was completed on 18 February 2025. For further details on the property, see Annexure E of this Prospectus.

14.7 MATERIAL LITIGATION

As at the LPD, we are not engaged in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on our financial position or profitability, in the 12 months immediately preceding the date of this Prospectus.

14.8 CONSENTS

The written consents of the Principal Adviser, the Financial Adviser, the Legal Advisers, the Company Secretaries, the Malaysian Agent, the Singapore Share Registrar and the Malaysian Share Registrar as listed in the Corporate Directory of this Prospectus for the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of Reporting Accountants for the inclusion of its name, the Accountants' Report and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of Protégé Associates for the inclusion of its name, the IMR Report and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

14. ADDITIONAL INFORMATION *(Cont'd)*

14.9 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our Malaysian Agent's office at 35, 1st Floor, Jalan Kelisa Emas 1, Taman Kelisa Emas, 13700 Seberang Jaya, Pulau Pinang, Malaysia during office hours for a period of 6 months from the date of this Prospectus:

- (i) our Constitution;
- (ii) our material contracts as referred to in Section 14.6 of this Prospectus;
- (iii) our audited consolidated financial statements for the past 4 FYEs 2021, 2022, 2023 and 2024;
- (iv) the audited financial statements of each of our subsidiaries for the past 4 FYEs 2021, 2022, 2023 and 2024;
- (v) the undertaking letter from our Promoter, Substantial Shareholder, CEO, Luong Andy, dated 26 May 2025 as referred to in Section 4.2.3 of this Prospectus;
- (vi) the Accountants' Report as included in Section 13 of this Prospectus;
- (vii) the IMR Report as included in Section 8 of this Prospectus; and
- (viii) the letters of consent referred to in Section 14.8 of this Prospectus.

14.10 RESPONSIBILITY STATEMENTS

Our Directors have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

TA Securities, being the Principal Adviser for our Secondary Listing, acknowledges that, based on all available information, and to the best of their knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our Secondary Listing.

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ANNEXURE A: SUMMARY OF RELEVANT BNM RULES ON INVESTMENT IN FOREIGN CURRENCY ASSETS

The removal of Shares from the Malaysian register to the CDP is regarded as an investment in foreign currency assets that would require shareholders to comply with the FEP Notices issued by BNM. Shareholders who wish to remove their Shares from the Malaysian register to the CDP for trading on the SGX-ST at any time after the Secondary Listing are reminded to comply with the FEP Notices and thus may be required to seek the prior approval of BNM. There is no restriction for a **non-resident** of Malaysia to subscribe for or purchase securities in Malaysia.

The prevailing rules on investment in foreign currency assets (which include our Shares) applicable to a **resident** of Malaysia are as follows:

Sources of Funds	Investment in Foreign Currency Assets*
Investment funded through conversion of ringgit to foreign currency.	<ul style="list-style-type: none"> A resident without domestic ringgit borrowing is free to invest any amount in foreign currency assets onshore and abroad. A resident with domestic ringgit borrowing is free to invest: <ul style="list-style-type: none"> Up to RM1 million equivalent in aggregate per calendar year for resident individuals; or Up to RM50 million equivalent per calendar year in aggregate on corporate group basis for resident entities (include resident entities within the group with parent-subsidiary relationship), <p>sourced from conversion of ringgit into foreign currency, trade foreign currency account, a borrowing in foreign currency from a licensed onshore bank for purposes other than direct investment abroad and swapping of a ringgit-denominated financial asset in Malaysia for a financial asset outside Malaysia.</p>
Investment using foreign currency fund.	<p>Residents with or without domestic ringgit borrowing are allowed to invest in foreign currency assets up to any amount using (i) foreign currency funds sourced from abroad; (ii) approved borrowing from foreign currency*; and (iii) foreign currency funds sourced from a borrowing in foreign currency from a licenced onshore bank for direct investment abroad.</p> <p>Note:</p> <p>* A resident is allowed to borrow in foreign currency up to RM100 million equivalent in aggregate from a non-resident outside the resident entity's group.</p>

Notes:

- * Subject to the requirements of the FEP Notices where applicable also to resident individuals and resident entities.
- ** "Borrowing" includes credit facility or financing facility, redeemable preference share, Islamic redeemable preference share, corporate bond or sukuk and "domestic ringgit borrowing" includes borrowing in ringgit obtained by a resident from another resident.

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS

The following table sets out a summary of certain differences between the provisions of the laws of Singapore applicable to the Company (collectively, the "**Singapore Corporation Law**") and the laws applicable to Malaysian companies (the references to Malaysian company being to a company as defined by Section 2(1) of the MCA (collectively, the "**Malaysian Corporation Law**")) in relation to corporate governance, shareholders and minority protection, and regulation of take-overs and mergers.

The summaries below are not to be regarded as advice on Singapore Corporation Law or the differences between it and the laws of any jurisdiction, including, without limitation, the Malaysian Corporation Law.

References to the comments on differences below do not purport to be complete and exhaustive and in any event are (unless expressly stated otherwise) based only on a general comparison on a non-exhaustive basis as to whether there are equivalent provisions in respect of the expressed provisions of the SCA relative to the MCA and comments on such differences do not take into account any common law or judicial interpretations affecting the SCA and the MCA, unless expressly stated otherwise. These differences have been segregated to procedural and substantive differences, where practicable to do so. Unless otherwise indicated to be procedural or mainly procedural differences, these differences are deemed to be substantive or mainly substantive in nature. The summaries below do not purport to be a comprehensive description of all of the rights and privileges of shareholders conferred by the Singapore Corporation Law as compared to the Malaysian Corporation Law that may be relevant to prospective investors. The summaries below do not purport to be complete and are qualified in their entirety by reference to the Singapore Corporation Law and the Malaysian Corporation Law.

In addition, it should also be noted that the laws applicable to Malaysian companies and Singapore companies may change, whether as a result of proposed legislative reforms to the MCA or the SCA, as the case may be, or otherwise.

Further, the summaries and references to the Listing Requirements below do not describe the regulations and requirements prescribed by the Listing Requirements. Prospective investors are advised to seek independent legal advice.

If you wish to have a detailed review of the relevant laws and regulations of Singapore, or a detailed explanation on the comparability and/or discrepancy of the relevant laws and regulations between Singapore and Malaysia or any other jurisdiction, you are recommended to seek independent legal advice.

Please note that definitions used in the MCA, the CMSA (as defined herein), the TOMCA Rules (as defined herein) shall, where applicable, have the meaning ascribed thereto under the MCA, the CMSA, the TOMCA Rules, the SCA and the Constitution, as the case may be.

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
1. DIRECTOR'S POWER TO VOTE ON A PROPOSAL, ARRANGEMENT OR CONTRACT IN WHICH HE IS INTERESTED, CONFLICTS OF INTEREST AND OTHER TRANSACTIONS WITH DIRECTORS		
<i>Director's disclosure of interest in contracts with the company</i>		
<p>Section 221(1) of the MCA: Subject to this section, every director of a company who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the company shall, as soon as practicable after the relevant facts have come to the director's knowledge, declare the nature of his interest at a meeting of the board of directors.</p> <p>Section 221(2) of the MCA: The requirements of subsection (1) shall not apply in the case where the interest of the director being a member or creditor of a corporation interested in a contract or proposed contract with the first mentioned company if the interest of the director may be regarded as not being a material interest.</p> <p>Section 221(3) of the MCA: A director of a company shall not be deemed to be interested or to have been at any time interested in any contract or proposed contract by reason only:</p> <p>(a) in a case where the contract or proposed contract relates to any loan to the company that the director has guaranteed or joined in guaranteeing the repayment of the loan or any part of the loan; or</p>	<p>Section 156(1) of the SCA: Subject to this section, every director or chief executive officer of a company who is in any way, whether directly or indirectly, interested in a transaction or proposed transaction with the company must as soon as is practicable after the relevant facts have come to his or her knowledge —</p> <p>(a) declare the nature of his or her interest at a meeting of the directors of the company; or</p> <p>(b) send a written notice to the company containing details on the nature, character and extent of his or her interest in the transaction or proposed transaction with the company.</p> <p>Section 156(2) of the SCA: A notice under subsection (1)(b) must be given as soon as is practicable after —</p> <p>(a) the date on which the director or chief executive officer became a director or chief executive officer (as the case may be); or</p> <p>(b) (if already a director or chief executive officer, as the case may be) the date on which the director or chief executive officer became,</p>	<p>The MCA and SCA contain provisions relating to a similar requirement of disclosure by a director of his interest in a contract or proposed contract with the company. However, the MCA refers to 'every director of a company', whereas the SCA refers to 'every director or chief executive officer of a company'. The requirement to disclose interest in a material contract or proposed material contract with the company or any of its subsidiaries under the SCA applies to the chief executive officers of a company, and not only the directors.</p> <p>SCA has no equivalent provision to Section 222 of the MCA. However, as the Company is listed on the SGX, the SGX Listing Manual is to be adhered to at all times and it provides that conflicted directors and their associates must abstain from exercising their voting rights on certain transactions where they are conflicted. Such transactions include an issuance of shares to a director (except in the case of an issue made on a pro rata basis to shareholders). Where shareholders' approval is sought for an interested person transaction or a general mandate for recurrent interested person transactions of a revenue or trading nature, or those necessary for its day-to-day operations, the circular must include a statement that the interested person (the definition</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(b) in the case where the contract or proposed contract has been or will be made with or for the benefit of or on behalf of a corporation which by virtue of section 7 is deemed to be related to the company that he is the director of that corporation,</p> <p>and this subsection shall have effect not only for the purposes of this Act but also for the purposes of other written laws, but this subsection shall not affect the operation of any provision in the constitution of the company.</p> <p>Section 221(6) of the MCA: Every director of a company who holds any office or possesses any property where duties or interests may be created in conflict with his duties or interests as director shall declare the fact and the nature, character and extent of the conflict at a meeting of the directors of the company.</p> <p>Section 221 (9) of the MCA: For the purposes of this section, an interest in the shares or debenture of a company –</p> <p>(a) Of the spouse of a director who is not a director of the company; or</p> <p>(b) Of a child, including adopted child or stepchild, of a director of a company who is not a director of the company</p>	<p>directly or indirectly, interested in a transaction or proposed transaction with the company,</p> <p>as the case requires.</p> <p>Section 156(3) of the SCA: The requirements of subsection (1) do not apply in any case where the interest of the director or chief executive officer (as the case may be) consists only of being a member or creditor of a corporation which is interested in a transaction or proposed transaction with the firstmentioned company if the interest of the director or chief executive officer (as the case may be) may properly be regarded as not being a material interest.</p> <p>Section 156(4) of the SCA: A director or chief executive officer of a company is not deemed to be interested or to have been at any time interested in any transaction or proposed transaction by reason only —</p> <p>(a) in the case where the transaction or proposed transaction relates to any loan to the company — that he or she has guaranteed or joined in guaranteeing the repayment of the loan or any part of the loan; or</p> <p>(b) in the case where the transaction or proposed transaction has been or will be made with or for the benefit of or on behalf of a corporation which by virtue of section 6 is deemed to be related to the company — that he or she is a director or</p>	<p>of which includes a director) will abstain, and has undertaken to ensure that its associates will abstain, from voting on the resolution approving the transaction Please refer to Annexure C for a summary comparison of the SGX Listing Manual and the Listing Requirements.</p> <p>In addition, Appendix 2.2 (Articles of Association) to the SGX Listing Manual which sets out provisions that the articles of association and other constituent documents of an issuer must contain, provides that a director shall not vote in regard to any contract or proposed contract or arrangement in which he has directly or indirectly a personal material interest.</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>shall be treated as an interest in the contract and proposed contract.</p> <p>Section 221(11) of the MCA: Except as provided in subsection (3), this section shall be in addition to and not in derogation of the operation of any provision in the constitution restricting a director from having any interest in contracts with the company or from holding offices or possessing properties involving duties or interests in conflict with his duties or interests as a director.</p> <p>Section 222(1) of the MCA: Subject to section 221, a director of a company who is in any way, whether directly or indirectly, interested in a contract entered into or proposed to be entered into by the company, unless the interest is one that need not be disclosed under section 221, shall be counted only to make the quorum at the meeting of the Board but shall not participate in any discussion while the contract or proposed contract is being considered during the meeting and shall not vote on the contract or proposed contract.</p> <p>Section 222(2) of the MCA: Subsection (1) shall not apply to:</p> <p>(a) a private company unless it is a subsidiary to a public company;</p> <p>(b) a private company which is a wholly-owned subsidiary of a public company, in respect of any contract or proposed contract to be</p>	<p>chief executive officer (as the case may be) of that corporation,</p> <p>and this subsection has effect not only for the purposes of this Act but also for the purposes of any other law, but does not affect the operation of any provision in the constitution of the company.</p> <p>Section 156(6) of the SCA: Every director and chief executive officer of a company who holds any office or possess any property whereby, whether directly or indirectly, any duty or interest might be created in conflict with their duties or interests as director or chief executive officer (as the case may be) must —</p> <p>(a) declare at a meeting of the directors of the company the fact and the nature, character and extent of the conflict; or</p> <p>(b) send a written notice to the company setting out the fact and the nature, character and extent of the conflict.</p> <p>Section 156(9) of the SCA: The company must, as soon as practicable after the receipt of the written notice mentioned in subsection (1)(b) or (6)(b), send a copy of the notice to —</p> <p>(a) in the case where the notice is given by a chief executive officer — all the directors; or</p> <p>(b) in the case where the notice is given by a director — all the other directors.</p>	

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>entered into by the private company with the holding company or with another wholly-owned subsidiary of that same holding company;</p> <p>(c) any contract or proposed contract of indemnity against any loss which any director may suffer by reason of becoming or being a surety for a company; and</p> <p>(d) any contract or proposed contract entered into or to be entered into by a public company or a private company which is a subsidiary of a public company, with another company in which the interest of the director consists solely of:</p> <p>(i) in him being a director of the company and the shareholder not more than the number or value as is required to qualify him for the appointment as a director; or</p> <p>(ii) in him having an interest in not more than five per centum of its paid up capital.</p>	<p>Section 156(12) of the SCA: The directors of a company must permit a chief executive officer of the company who is not a director to attend a meeting of the board of directors where such attendance is necessary for the chief executive officer to make a declaration for the purpose of complying with this section.</p> <p>Section 156(13) of the SCA: For the purposes of this section –</p> <p>(a) an interest of a member of a director's family is treated as an interest of the director and the words "member of a director's family" include his or her spouse, son, adopted son, stepson, daughter, adopted daughter and stepdaughter; and</p> <p>(b) an interest of a member of a chief executive officer's family is treated as an interest of the chief executive officer and the words "member of the chief executive officer's family" include his or her spouse, son, adopted son, stepson, daughter, adopted daughter and stepdaughter.</p> <p>Section 156(14) of the SCA: Subject to subsection (4), this section is in addition to and not in derogation of the operation of any rule of law or any provision in the constitution restricting a director or chief executive officer from having any interest in transactions with the company or from holding offices or possessing properties involving duties or interests in conflict with his or her duties or interests as a director or chief executive officer (as the case may be).</p>	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<i>Director's fiduciary duties and conflicts of interest</i>		
<p>Section 213(1) of the MCA: A director of a company shall at all times exercise his powers in accordance with this Act, for a proper purpose and in good faith in the best interest of the company.</p> <p>Section 213(2) of the MCA: A director of a company shall exercise reasonable care, skill and diligence with:</p> <p>(a) the knowledge, skill and experience which may reasonably be expected of a director having the same responsibilities; and</p> <p>(b) any additional knowledge, skill and experience which the director in fact has.</p> <p>Section 214(1) of the MCA: A director who makes a business judgment is deemed to meet the requirements of the duty under subsection 213(2) and the equivalent duties under the common law and in equity if the director:</p> <p>(a) makes the business judgment for a proper purpose and in good faith;</p> <p>(b) does not have a material personal interest in the subject matter of the business judgment;</p> <p>(c) is informed about the subject matter of the business judgment to the extent the director</p>	<p>Section 157(1) of the SCA: A director must at all times act honestly and use reasonable diligence in the discharge of the duties of his or her office.</p> <p>Section 157(2) of the SCA: An officer or agent of a company must not make improper use of his or her position as an officer or agent of the company or any information acquired by virtue of his or her position as an officer or agent of the company to gain, directly or indirectly, an advantage for himself or herself or for any other person or to cause detriment to the company.</p>	<p>The MCA and SCA have similar requirements in respect of the directors' duties in a company.</p> <p>The SCA does not have an equivalent express provision in relation to a "nominee director" as provided in section 217(1) of the MCA. Nevertheless, the duties under section 157(1) of the SCA applies to all directors (including nominee directors) of the Company.</p> <p>While Section 157(2) of the SCA is similar to Section 218(1) of the MCA in that it sets out restrictions against an officer making improper use of his or her position as an officer of the company or any information acquired by virtue of his or her position as an officer of the company to gain, directly or indirectly, an advantage for himself or herself or for any other person or to cause detriment to the company, Section 218(1) of the MCA expressly provides that a director or officer of a company shall not, without the consent or ratification of a general meeting of which there is no equivalent express provisions in the SCA.</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>reasonably believes to be appropriate under the circumstances; and</p> <p>(d) reasonably believes that the business judgment is in the best interest of the company.</p> <p>Section 217(1) of the MCA: A director who was appointed by virtue of his position as an employee of a company, or who was appointed by or as a representative of a member, employer or debenture holder, shall act in the best interest of the company and in the event of any conflict between his duty to act in the best interest of the company and his duty to his nominator, he shall not subordinate his duty to act in the best interest of the company to his nominator.</p> <p>Section 218(1) of the MCA: A director or officer of a company shall not, without the consent or ratification of a general meeting:</p> <p>(a) use the property of the company;</p> <p>(b) use any information acquired by virtue of his position as a director or officer of the company;</p> <p>(c) use his position as such director or officer;</p> <p>(d) use any opportunity of the company which he became aware of, in the performance of his</p>		

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>functions as the director or officer of the company; or</p> <p>(e) engage in business which is in competition with the company,</p> <p>to gain directly or indirectly, a benefit for himself or any other person, or cause detriment to the company.</p>		
<i>Related party transactions</i>		
<p>Section 228(1) of the MCA: Subject to subsection (2) and section 229, a company shall not enter or carry into effect any arrangement or transaction where a director or a substantial shareholder of the company or its holding company, or its subsidiary, or a person connected with a director or substantial shareholder:</p> <p>(a) acquires or is to acquire shares or non-cash assets of the requisite value, from the company; or</p> <p>(b) disposes of or is to dispose of shares or non-cash assets of the requisite value, to the company,</p> <p>unless:</p> <p>(A) the entering into the arrangement or transaction is made subject to the approval of shareholders at a general meeting; or</p> <p>(B) the carrying into effect of the arrangement or transaction has been approved by shareholders at a general meeting.</p>	-	<p>The SCA has no equivalent provision to Section 228 of the MCA.</p> <p>Although there is no equivalent provision, the SCA does require the directors to disclose their interest in transactions or proposed transactions pursuant to Section 156 of the SCA and Section 157 of the SCA, amongst others, which imposes a duty on the directors to act honestly and use reasonable diligence in the discharge of the duties of his or her office, and states that an officer or agent of a company shall not make improper use of his or her position. In addition, the Company is required to comply with the SGX Listing Manual which sets out rules relating to interested person transactions.</p> <p>Please see Annexure C in relation to the summary comparison of the Listing Requirements and the SGX Listing Manual in particular Chapter 9 of the SGX Listing Manual which deals with transactions entered into by entities at risk (being the Company</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Section 228(2) of the MCA: An arrangement or transaction which is carried into effect in contravention of subsection (1) shall be void unless there is prior approval of the arrangement or transaction:</p> <p>(a) by a resolution of the company; or</p> <p>(b) by a resolution of the holding company, if the arrangement or transaction is in favour of a director or substantial shareholder of its holding company or person connected with such director or substantial shareholder.</p> <p>Section 228(4) of the MCA: In the case of a public company or its holding company or its subsidiary, the director or substantial shareholder or person connected with the director or substantial shareholder who is interested in the arrangement or transaction referred to in paragraph (1) (a) or (b) shall abstain from voting on the resolution at the general meeting to consider the arrangement or transaction referred to in subsection (2).</p> <p>Section 228(5) of the MCA: Where an arrangement or transaction is entered or carried into effect by a company in contravention of subsections (1) and (2), the director, substantial shareholder or person connected with a director or substantial shareholder and any director who knowingly authorized the arrangement or transaction shall, in addition to any other liability, be liable:</p>		<p>or a subsidiary or associated company of the Company that is not listed on the SGX or an approved exchange, provided that the Company or the listing group and its interested persons have control over the associated company) with interested persons, which is similar to the provisions of Chapter 10 of the Listing Requirements on related party transactions.</p> <p>For instance, the related party transactions of the Group would not be subject to Chapter 10 of the Listing Requirements. Instead, any interested person transactions (as defined in the SGX Listing Manual) involving the Group would be subject to the requirements under the SGX Listing Manual and SCA.</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(a) to account to the company for any gain which he had made directly or indirectly by the arrangement or transaction; and</p> <p>(b) jointly and severally with any person liable under this subsection, to indemnify the company for any loss or damage resulting from the arrangement or transaction.</p> <p>Section 228(6) of the MCA: The Court may, on the application of any member or director of the company, restrain the company from entering or carrying into effect an arrangement or transaction in contravention of subsection (1).</p> <p>Section 229 of the MCA: Section 228 shall not apply to an arrangement or transaction for the acquisition or disposal of a non-cash asset entered into:</p> <p>(a) by a company:</p> <p>(i) and any of its wholly-owned subsidiaries;</p> <p>(ii) and its holding company which holds all the issued shares of the company; or</p> <p>(iii) which is a wholly-owned subsidiary of a holding company and another wholly-owned subsidiary company of that same holding company;</p>		

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(b) by a company which is being wound up, unless the winding up is a members' voluntary winding up;</p> <p>(c) by a company which is an acquisition or disposal of an asset in the ordinary course of business of the company and is on terms not more favourable than those generally available to the public or employees of the company;</p> <p>(d) by a company if such arrangement or transaction does not involve transfer of cash or property and which shall have no effect unless approved at a general meeting or by a relevant authority;</p> <p>(e) by a company made in accordance with a scheme of arrangement approved by the Court under section 366; or</p> <p>(f) by a company in connection with a takeover offer made in accordance with the relevant law applicable to such offers.</p>		
<i>Loans to directors</i>		
<p>Section 224(1) of the MCA: A company shall not:</p> <p>(a) make a loan to a director of the company or of a company which by virtue of section 7 is deemed to be related to that company; or</p>	<p>Section 162(1) of the SCA: For the purposes of this section, a company makes a restricted transaction if it —</p> <p>(a) makes a loan or quasi-loan to a director —</p>	<p>Both the MCA and the SCA prohibit the provision of loans to a director of the company or a director of a related corporation and provides for similar exceptions including where the provisions of loans can be made subject to shareholders approvals.</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(b) enter into any guarantee or provide any security in connection with a loan made to such a director by any other person.</p> <p>Section 224(2) of the MCA: Nothing in this section shall apply:</p> <p>(a) to an exempt private company;</p> <p>(b) subject to subsection (3), to anything done to provide such director with funds to meet the expenditure incurred or to be incurred by him for the purposes of the company or for the purpose of enabling him properly to perform his duties as an officer of the company;</p> <p>(c) subject to subsection (3), to anything done to provide such a director who is engaged in the full-time employment of the company or its holding company, as the case may be, with funds to meet expenditure incurred or to be incurred by him in purchasing or otherwise acquiring a home; or</p> <p>(d) to any loan made to such a director who is engaged in the full-time employment of the company or its holding company, as the case may be, where the company has passed a resolution to approve a scheme for the making of loans to employees of the company and the loan is in accordance with that scheme.</p>	<p>(i) of the company; or</p> <p>(ii) of a company which by virtue of section 6 is deemed to be related to that company,</p> <p>(called in this section a relevant director);</p> <p>(b) enters into any guarantee or provides any security in connection with a loan or quasi-loan made to a relevant director by any other person;</p> <p>(c) enters into a credit transaction as creditor for the benefit of a relevant director;</p> <p>(d) enters into any guarantee or provides any security in connection with a credit transaction entered into by any person for the benefit of a relevant director;</p> <p>(e) takes part in an arrangement under which —</p> <p>(i) another person enters into a transaction that, if it had been entered into by the company, would have been a restricted transaction under paragraph (a), (b), (c), (d) or (f); and</p> <p>(ii) that person, pursuant to the arrangement, obtains a benefit from the company or a company which by virtue of section 6 is deemed to be related to that company; or</p>	

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Section 224(3) of the MCA: Paragraph (1)(a) or (b) shall not authorize the making of any loan, or the entering into any guarantee or the provision of any security except with the prior approval of the company on the resolution in which the purpose of the expenditure and the amount of the loan or the extent of the guarantee or security, as the case may be, are disclosed.</p> <p>Section 224(4) of the MCA: If there is no prior approval given under subsection (2), the company may authorize the making of any loan or the entering into any guarantee or the provision of any security amongst others in the case of a public company, at or before the next following annual general meeting.</p> <p>Section 288 of the MCA: Any provision, whether contained in the constitution or in any contract with a company or otherwise, for exempting any officer or auditor of the company from, or indemnifying him against, any liability which by law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust, of which he may be guilty in relation to the company, shall be void.</p>	<p>(f) arranges the assignment to the company, or assumption by the company, of any rights, obligations or liabilities under a transaction that, if it had been entered into by the company, would have been a restricted transaction under paragraphs (a) to (e).</p> <p>Section 162(2) of the SCA: Subject to subsections (3) and (4) and sections 163A and 163B, a company (other than an exempt private company) must not make a restricted transaction.</p> <p>Section 162(3) of the SCA: Subject to subsection (4), nothing in this section applies to any transaction which would otherwise be a restricted transaction that is —</p> <p>(a) made to or for the benefit of a relevant director to meet expenditure incurred or to be incurred by him or her for the purposes of the company or for the purpose of enabling him or her to properly perform his or her duties as an officer of the company;</p> <p>(b) made to or for the benefit of a relevant director who is engaged in the full-time employment of the company or of a corporation that is deemed to be related to the company, as the case may be, for the purpose of purchasing or otherwise acquiring a home occupied or to be occupied by the director, except that not more than one such restricted transaction may be outstanding at any time;</p>	

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>(c) made to or for the benefit of a relevant director who is engaged in the full-time employment of the company or of a corporation that is deemed to be related to that company (as the case may be) where the company has at a general meeting approved of a scheme for the making of such transaction to or for the benefit of employees of the company and the restricted transaction is in accordance with that scheme; or</p> <p>(d) made to or for the benefit of a relevant director in the ordinary course of business of a company whose ordinary business includes the lending of money or the giving of guarantees in connection with loans, quasi-loans or credit transactions made or entered into by other persons if the activities of that company are regulated by any written law relating to banking, finance companies or insurance or are subject to supervision by the Monetary Authority of Singapore.</p> <p>Section 162(4) of the SCA: Subsection (3)(a) or (b) does not authorise the making of any restricted transaction, except —</p> <p>(a) with the prior approval of the company given at a general meeting at which the purposes of the expenditure and the amount or extent of the restricted transaction are disclosed; or</p>	

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>(b) on condition that, if the prior approval of the company is not given as aforesaid at or before the next following annual general meeting, the amount of or liability under the restricted transaction must be repaid or discharged (as the case may be) within 6 months from the conclusion of that meeting.</p> <p>Section 162(5) of the SCA: Where the prior approval of the company is not given as required by the condition mentioned in subsection (4)(b), the directors authorising the making of the restricted transaction are jointly and severally liable to indemnify the company against any loss arising therefrom.</p> <p>Section 162(7) of the SCA: Nothing in this section operates to prevent the company from recovering the amount of any loan, quasi-loan, credit transaction or arrangement or amount for which it becomes liable under any guarantee entered into or in respect of any security given contrary to this section.</p> <p>Section 162(8) of the SCA: For the purpose of subsection (1), a reference to a director or relevant director therein includes a reference to the director's spouse, son, adopted son, stepson, daughter, adopted daughter and stepdaughter.</p> <p>Section 162(10) of the SCA: For the purposes of this section, a reference to prior approval does not include any approval of the company that is given</p>	

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>after the restricted transaction has been made, provided for or entered into (as the case may be).</p> <p>Section 162(11) of the SCA: In this section and section 163 —</p> <p>“conditional sale agreement” has the meaning given by section 2 of the Hire-Purchase Act 1969;</p> <p>“credit transaction” means a transaction under which one party (called in this section and section 163 the creditor) —</p> <p>(a) supplies any goods or disposes of any immovable property under a hire-purchase agreement or a conditional sale agreement;</p> <p>(b) leases or hires any immovable property or goods in return for periodic payments; or</p> <p>(c) otherwise disposes of immovable property or supplies goods or services on the understanding that payment (whether in a lump sum or instalments or by way of periodic payments or otherwise) is to be deferred;</p> <p>“quasi-loan” means a transaction under which one party (called in this section and section 163 the creditor) agrees to pay, or</p>	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>pays otherwise than pursuant to an agreement, a sum for another (called in this section the borrower) or agrees to reimburse, or reimburses otherwise than pursuant to an agreement, expenditure incurred by another party for another (called in this section and section 163 the borrower) —</p> <p>(a) on terms that the borrower (or a person on the borrower's behalf) will reimburse the creditor; or</p> <p>(b) in circumstances giving rise to a liability on the borrower to reimburse the creditor;</p> <p>“services” means any thing other than goods or immovable property.</p> <p>Section 162(12) of the SCA: For the purposes of subsection (11) —</p> <p>(a) a reference to the person to whom a quasi-loan is made is a reference to the borrower;</p> <p>(b) the liabilities of the borrower under a quasi-loan include the liabilities of any person who has agreed to reimburse the creditor on behalf of the borrower;</p> <p>Section 163(1) of the SCA: Subject to this section and sections 163A and 163B, it is not lawful for a</p>	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>company (other than an exempt private company)</p> <p>—</p> <p>(a) to make a loan or quasi-loan to another company, a limited liability partnership or a variable capital company as defined in section 2(1) of the Variable Capital Companies Act 2018 (“VCC”);</p> <p>(b) to enter into any guarantee or provide any security in connection with a loan or quasi-loan made to another company, a limited liability partnership or a VCC by a person other than the firstmentioned company;</p> <p>(c) to enter into a credit transaction as creditor for the benefit of another company, a limited liability partnership or a VCC; or</p> <p>(d) to enter into any guarantee or provide any security in connection with a credit transaction entered into by any person for the benefit of another company, a limited liability partnership or a VCC,</p> <p>if a director or directors of the firstmentioned company is or together are interested in 20% or more of the total voting power in the other company, the limited liability partnership or the VCC (as the case may be), unless there is prior approval by the company in general meeting for the making of, provision for or entering into the loan, quasi-loan, credit transaction, guarantee or security (as the</p>	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>case may be) at which the interested director or directors, and his, her or their family members, abstained from voting.</p> <p>Section 163(2) of the SCA: Subsection (1) also applies to —</p> <p>(a) a loan or quasi-loan made by a company (other than an exempt private company) to another company or a limited liability partnership;</p> <p>(b) a credit transaction made by a company (other than an exempt private company) for the benefit of another company or to a limited liability partnership; and</p> <p>(c) a guarantee entered into or security provided by a company (other than an exempt private company) in connection with a loan or quasi-loan made to another company or a limited liability partnership by a person other than the firstmentioned company or with a credit transaction made for the benefit of another company or a limited liability partnership entered into by a person other than the firstmentioned company,</p> <p>where such other company or such limited liability partnership is incorporated or formed (as the case may be) outside Singapore, if a director or directors of the firstmentioned company have an interest in the other company or the limited liability partnership, as the case may be.</p>	

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>Section 163(3) of the SCA: For the purposes of subsection (2), a director or directors of a company —</p> <p>(a) have an interest in the other company if —</p> <p>(i) in the case of a company with a share capital — the director or directors is or together are interested in 20% or more of the total voting power in the other company; or</p> <p>(ii) in the case of a company without a share capital — the director or directors exercises or together exercise control over the other company (whether by reason of having the power to appoint directors or otherwise); or</p> <p>(b) have an interest in a limited liability partnership if the director or directors is or together are interested in 20% or more of the total voting power in the limited liability partnership.</p> <p>Section 163(3A) of the SCA: Subject to this section and sections 163A and 163B, a company (other than an exempt private company) must not —</p> <p>(a) take part in an arrangement under which —</p> <p>(i) another person enters into a transaction that, if it had been entered into by the company, would have required approval under this section; and</p>	

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>(ii) that person, pursuant to the arrangement, obtains a benefit from the company or a related company; or</p> <p>(b) arrange the assignment to it, or assumption by it, of any rights, obligations or liabilities under a transaction that, if it had been entered into by the company, would have required such approval,</p> <p>unless there is prior approval by the company in general meeting for taking part in such an arrangement or for arranging the assignment or assumption of rights, obligations or liabilities under such a transaction at which the interested director or directors, or his, her or their family members, abstained from voting.</p> <p>Section 163(3C) of the SCA: The requirement in subsections (1) and (3A) that the interested director or directors, or his, her or their family members, abstain from voting at the general meeting of the company does not apply where all the shareholders of the company have each voted to approve the arrangement.</p> <p>Section 163(3D) of the SCA: For the purposes of this section —</p> <p>(a) where a company makes a loan or quasi-loan to another company or VCC, enters into a credit transaction for the benefit of another company or VCC, gives a guarantee or provides security</p>	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>in connection with a loan, quasi-loan or credit transaction made to or entered into for the benefit of another company or VCC, or enters into an arrangement referred to in subsection (3A), a director or directors of the firstmentioned company are not to be taken to have an interest in shares in that other company or VCC by reason only that the firstmentioned company has an interest in shares in that other company or VCC and a director or directors have an interest in shares in the firstmentioned company;</p> <p>(b) the expression “interest in shares”, in relation to a company, has the meaning assigned to it in section 7 and, in relation to a VCC, has the meaning assigned to it in section 7 as applied by section 2(6) of the VCC Act and read with section 2(7) of that Act;</p> <p>(c) a person who has an interest in a share of a company or a VCC is to be treated as having an interest in the voting power conferred on the holder by that share;</p> <p>(d) a reference to prior approval of the company in subsection (1) does not include any approval of the company that is given after the loan, quasi-loan, credit transaction, guarantee or security mentioned in that subsection has been made, provided for or entered into (as the case may be); and</p>	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>(e) a reference to prior approval of the company in subsection (3A) does not include any approval of the company that is given after the arrangement referred to in that subsection has been entered into.</p> <p>Section 163(4) of the SCA: This section does not apply —</p> <p>(a) to anything done by a company where the other company (whether that company is incorporated in Singapore or otherwise) or VCC is its subsidiary or holding company or a subsidiary of its holding company; or</p> <p>(b) to a company, whose ordinary business includes the lending of money or the giving of guarantees in connection with loans made by other persons, to anything done by the company in the ordinary course of that business if the activities of that company are regulated by any written law relating to banking, finance companies or insurance or are subject to supervision by the Monetary Authority of Singapore.</p> <p>Section 163(5) of the SCA: For the purposes of this section —</p> <p>(a) an interest of a member of a director's family is treated as the interest of the director; and</p> <p>(b) a reference to a member of a director's family includes the director's spouse, son, adopted</p>	

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>son, stepson, daughter, adopted daughter and stepdaughter.</p> <p>Section 163(6) of the SCA: Nothing in this section operates to prevent the recovery of the amount of any loan, quasi-loan, credit transaction or arrangement or the enforcement of any guarantee or security whether made or given by the company or any other person.</p> <p>Section 163A(1) of the SCA: Sections 162 and 163 do not apply to anything done by a company —</p> <p>(a) to provide a director of the company with funds by way of any loan to meet expenditure incurred or to be incurred by the director —</p> <p>(i) in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by the director in relation to the company; or</p> <p>(ii) in connection with an application for relief; or</p> <p>(b) to enable any such director to avoid incurring such expenditure,</p> <p>if it is done on the terms provided in subsection (2).</p> <p>Section 163A(2) of the SCA: The terms referred to in subsection (1) are —</p>	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>(a) that the loan is to be repaid, or (as the case may be) any liability of the company incurred under any transaction connected with the thing done is to be discharged, in the event of —</p> <p>(i) the director being convicted in the proceedings;</p> <p>(ii) judgment being given against the director in the proceedings; or</p> <p>(iii) the court refusing to grant the director relief on the application; and</p> <p>(b) that it is to be repaid or discharged not later than 14 days after —</p> <p>(i) the date when the conviction becomes final;</p> <p>(ii) the date when the judgment becomes final; or</p> <p>(iii) the date when the refusal of relief becomes final.</p> <p>Section 163A(3) of the SCA: For the purposes of this section —</p> <p>(a) a conviction, judgment or refusal of relief becomes final —</p> <p>(i) if it is not appealed against, at the end of the period for bringing an appeal; or</p>	

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>(ii) if it is appealed against, when the appeal (or any further appeal) is disposed of;</p> <p>(b) an appeal or further appeal is disposed of —</p> <p>(i) if it is determined and there is no right of further appeal, or if there is a right of further appeal, the period for bringing any further appeal has ended; or</p> <p>(ii) if it is abandoned or otherwise ceases to have effect; and</p> <p>(c) a reference to the repayment of a loan includes the payment of any interest which is chargeable under the terms on which the loan was given.</p> <p>Section 163B of the SCA: Sections 162, 163 and 172 do not apply to anything done by a company —</p> <p>(a) to provide a director of the company with funds by way of any loan to meet expenditure incurred or to be incurred by the director in defending himself or herself —</p> <p>(i) in an investigation by a regulatory authority; or</p> <p>(ii) against any action proposed to be taken by a regulatory authority,</p>	

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>in connection with any alleged negligence, default, breach of duty or breach of trust by the director in relation to the company; or</p> <p>(b) to enable any such director to avoid incurring such expenditure.</p> <p>Section 172(1) of the SCA: Any provision that purports to exempt an officer of a company (to any extent) from any liability that would otherwise attach to him or her in connection with any negligence, default, breach of duty or breach of trust in relation to the company is void.</p>	
2. DIRECTOR'S POWER TO VOTE ON REMUNERATION (INCLUDING PENSION OR OTHER BENEFITS) FOR HIMSELF OR FOR ANY OTHER DIRECTOR; AND WHETHER THE QUORUM AT A MEETING OF THE BOARD OF DIRECTORS MAY INCLUDE THE DIRECTOR WHOSE REMUNERATION IS THE SUBJECT OF THE VOTE		
<i>Remuneration of directors</i>		
<p>A director may not receive remuneration except as authorized by the constitution of a company.</p> <p>Section 227(1) of the MCA: It shall not be lawful:</p> <p>(a) for a company to make to any director any payment by way of compensation for loss of office as an officer of that company or of a subsidiary of that company or as consideration for or in connection with his retirement from any such office; or</p>	<p>Section 168(1) of the SCA: It is not lawful —</p> <p>(a) for a company to make to any director any payment by way of compensation for loss of office as an officer of the company or of a subsidiary of the company or as consideration for or in connection with his or her retirement from any such office; or</p> <p>(b) for any payment to be made to any director of a company in connection with the transfer of the whole or any part of the undertaking or property of the company,</p>	<p>Both the MCA and the SCA provides for remuneration of directors and requirements for general meeting approval in relation to compensation for loss of office of director.</p> <p>However, under the SCA, the company does not need approval for payments made to a director who is employed by the company if the payment is for termination of their employment and is in line with an existing legal obligation. This applies as long as the payment does not exceed the director's total emoluments from the previous year, and details of the payment, including the amount, have been</p>

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(b) for any payment to be made to any director of a company in connection with the transfer of the whole or any part of the undertaking or property of the company,</p> <p>unless particulars with respect to the proposed payment including the amount, have been disclosed to the members of the company and the resolution for the proposal has been approved by the members and when any such payment has been unlawfully made the amount received by the director shall be deemed to have been received by him in trust for the company.</p> <p>Section 230(1) of the MCA: The fees of the directors, and any benefits payable to the directors including any compensation for loss of employment of a director or former director-</p> <p>(a) of a public company; or</p> <p>(b) of a listed company and its subsidiaries,</p> <p>shall be approved at a general meeting.</p>	<p>unless particulars with respect to the proposed payment, including the amount thereof, have been disclosed to the members of the company and the proposal has been approved by the company in general meeting and when any such payment has been unlawfully made the amount received by the director is deemed to have been received by him or her in trust for the company.</p> <p>Section 168(1A) of the SCA: The requirement for approval by the company in subsection (1) does not apply in respect of any payment to a director holding a salaried employment or office in the company by way of compensation for termination of employment pursuant to an existing legal obligation arising from an agreement made between the company and the director if —</p> <p>(a) the amount of the payment does not exceed the total emoluments of the director for the year immediately preceding his or her termination of employment; and</p> <p>(b) the particulars with respect to the proposed payment, including the amount thereof, have been disclosed to the members of the company upon or prior to the payment.</p> <p>Section 169(1) of the SCA: A company must not at any meeting or otherwise provide emoluments or improve emoluments for a director of a company in respect of his or her office as such unless the provision is approved by a resolution that is not</p>	<p>disclosed to the members of the company before or at the time of the payment.</p>

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>related to other matters and any resolution passed in breach of this section is void.</p> <p>Section 169(2) of the SCA: In this section, “emoluments” in relation to a director includes fees and percentages, any sums paid by way of expenses allowance insofar as those sums are charged to income tax in Singapore, any contribution paid in respect of a director under any pension scheme and any benefits received by him or her otherwise than in cash in respect of his or her services as director.</p>	
3. BORROWING POWERS EXERCISABLE BY DIRECTORS		
<p>There are no provisions specifically vesting the directors with borrowing powers under the MCA save for the broad stipulation under Sections 211(1) & (2) of the MCA that the business and affairs of a company shall be managed by, or under the direction of the Board and the Board has all the powers necessary for managing and for directing and supervising the management of the business and affairs of the company subject to any modification, exception or limitation contained in the MCA or in the constitution of the company.</p> <p>Pursuant to Section 190(3) of the MCA, so long as the company has lodged with the Registrar the relevant statutory declaration in compliance with Section 190, the company shall become entitled to commence business or exercise any borrowing</p>	<p>There are no provisions specifically vesting the directors with borrowing powers under the SCA save for the broad stipulation under Section 157A(1) and (2) of the SCA: The business of a company is to be managed by, or under the direction or supervision of, the directors, and that the directors may exercise all the powers of a company except any power that this Act or the constitution of the company requires the company to exercise in general meeting.</p> <p>There is also a broad stipulation under Section 25B(1) of the SCA: In favour of a person dealing with a company in good faith, the power of the directors to bind the company, or authorise others to do so, is deemed to be free of any limitation under the company's constitution.</p>	<p>There are no provisions specifically vesting the directors with borrowing powers under both the MCA and SCA. In both the MCA and the SCA the business and affairs of a company are managed by the Board, unless specifically restricted by the company's constitution.</p> <p>Similar to the MCA, the SCA requires a company to lodge a declaration with the Registrar to confirm that it can commence business and exercise borrowing powers.</p>

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
powers from and after the lodgement of the statutory declaration.	<p>Section 25B(3) of the SCA: The references in subsection (1) or (2) to limitations on the directors' powers under the company's constitution include limitations deriving —</p> <p>(a) from a resolution of the company or of any class of shareholders; or</p> <p>(b) from any agreement between the members of the company or of any class of shareholders.</p> <p>Section 61(1) of the SCA: Where a company having a share capital has issued a prospectus inviting the public to subscribe for its shares, the company must not commence any business or exercise any borrowing power —</p> <p>(a) if any money is or may become liable to be repaid to applicants for any shares or debentures offered for public subscription by reason of any failure to apply for or obtain permission for listing for quotation on any securities exchange; or</p> <p>(b) unless —</p> <p>(i) shares held subject to the payment of the whole amount thereof in cash have been allotted to an amount not less in the whole than the minimum subscription;</p> <p>(ii) every director has paid to the company on each of the shares taken or contracted to be</p>	

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>taken by him or her, and for which he or she is liable to pay in cash, a proportion equal to the proportion payable on application and allotment on the shares offered for public subscription; and</p> <p>(iii) there has been lodged with the Registrar a declaration in the prescribed form by —</p> <p>(A) the secretary or one of the directors of the company; or</p> <p>(B) a registered qualified individual authorised by the company,</p> <p>verifying that sub-paragraphs (i) and (ii) have been complied with.</p>	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
4. QUALIFICATION, APPOINTMENT AND RETIREMENT OR NON-RETIREMENT OF DIRECTORS UNDER AN AGE LIMIT REQUIREMENT		
<p>Section 196(1) of the MCA: A company shall have a minimum number of directors as follows:</p> <p>(a) in the case of a private company, one director; or</p> <p>S</p> <p>(b) in the case of a public company, two directors.</p> <p>Section 196(2) of the MCA: A director shall be a natural person who is at least eighteen years of age.</p> <p>Section 196(3) of the MCA: A director of a company shall not resign or vacate his office if by his resignation or vacation from office, the number of directors of the company is reduced below the minimum number required under subsection (1) and any purported resignation or vacation of office in contravention of this section shall be deemed to be ineffective unless a person is appointed in his place.</p> <p>Section 196(4) of the MCA: For the purposes of this section, the minimum number of directors:</p> <p>a) shall ordinarily reside in Malaysia by having a principal place of residence in Malaysia; and</p> <p>(b) shall not include an alternate or substitute director.</p>	<p>Section 145(1) of the SCA: Every company must have at least one director who is ordinarily resident in Singapore and, where the company only has one member, that sole director may also be the sole member of the company.</p> <p>Section 145(2) of the SCA: No person other than a natural person who has attained the age of 18 years and who is otherwise of full legal capacity may be a director of a company.</p> <p>Section 145(5) of the SCA: Despite anything in this Act or in the constitution of the company, or in any agreement with the company, a director of a company must not resign or vacate his or her office unless there is remaining in the company at least one director who is ordinarily resident in Singapore; and any purported resignation or vacation of office in breach of this subsection is invalid.</p> <p>Section 145(6) of the SCA: Subsection (5) does not apply where a director of a company is required to resign or vacate his or her office —</p> <p>(a) if the director has not within the period referred to in section 147(1) obtained his or her qualification;</p> <p>(b) by virtue of his or her disqualification or removal or the revocation of his or her appointment as a director (as the case may be) under section 148,</p>	<p>Aside from the difference in minimum number of the directors, both the MCA and SCA have similar requirements on the qualification, appointment and age limit of directors. However, there are no provisions under the SCA specifically requiring the rotation of directors by way of retirement. This is typically as set out within a company's constitution.</p> <p>In addition, the SCA has no equivalent provision to Section 208(1) of the MCA. Events pursuant to which the office of a director shall be vacated are instead typically set out within a company's constitution. In addition, Appendix 2.2 (Articles of Association) to the SGX Listing Manual which sets out provisions that the articles of association and other constituent documents of an issuer must contain, provides that (a) the office of a director shall become vacant should he become of unsound mind or bankrupt during his term of office; and (b) where a director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds, he must immediately resign from the board.</p> <p>For a public company, the MCA requires two directors who ordinarily reside in Malaysia with their principal place of residence in Malaysia, whereas the SCA requires only one director who is ordinarily resident in Singapore.</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Section 205(3) of the MCA: The directors shall retire as follows:</p> <p>(a) at the first annual general meeting of a public company, all directors shall retire from office at the conclusion of the meeting; and</p> <p>(b) at the annual general meeting in every subsequent year, one-third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office at the conclusion of the meeting.</p> <p>Section 205(4) of the MCA: The directors to retire in every year shall be the directors who have been longest in office since the directors' last election, but as between persons who became directors on the same day, the directors to retire shall be determined by lot, unless they otherwise agreed among themselves.</p> <p>Section 205(5) of the MCA: A retiring director shall be eligible for re-election as if he is not disqualified under the MCA.</p> <p>Section 205(6) of the MCA: Unless otherwise provided in the constitution, the company may appoint any person who is not disqualified under this Act to fill in the vacancy at the annual general meeting at which a director so retires, and if no appointment was made to fill the vacancy, the retiring director shall, if he offers himself for re-election, be deemed to have been re-elected, unless:</p>	<p>149, 149A, 154, 155, 155A or 155C of this Act, section 50 or 54 of the Banking Act 1970, section 50 or 54 of the Banking Act 1970 as applied by section 55ZJ of that Act, section 46(7) of the Credit Bureau Act 2016, section 47 of the Finance Companies Act 1967, section 64 of the Financial Advisers Act 2001, section 62 or 63 of the Financial Holdings Companies Act 2013, section 48 of the Financial Services and Markets Act 2022, section 35, 36, 88 or 102(2)(a)(ii) of the Insurance Act 1966, section 40 of the Monetary Authority of Singapore Act 1970 as in force immediately before the date of commencement of section 205 of the Financial Services and Markets Act 2022, section 35 or 66 of the Payment Services Act 2019, section 43, 46Z, 81P, 81ZJ, 97, 123Y, 123ZU or 292A of the Securities and Futures Act 2001 and section 14 of the Trust Companies Act 2005; or</p> <p>(c) if the director, being a director of a Registered Fund Management Company as defined in the Securities and Futures (Licensing and Conduct of Business) Regulations, has been removed by the company as director in accordance with those Regulations.</p> <p>Section 145(7) of the SCA: If there is a contravention of subsection (1), the Registrar may, either of the Registrar's own motion or on the application of any person, direct the members of the company to appoint a director who is ordinarily resident in Singapore if the Registrar considers it to</p>	

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS

(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(a) at that meeting the company expressly resolved not to fill the vacated office; or</p> <p>(b) a resolution for the re-election of the director is put to the meeting and lost.</p> <p>Section 208(1) of the MCA: The office of a director of a company shall be vacated if the person holding that office-</p> <p>(a) resigns in accordance with subsection (2);</p> <p>(b) has retired in accordance with this Act or the constitution of the company but is not re-elected;</p> <p>(c) is removed from office in accordance with this Act or the constitution of the company;</p> <p>(d) becomes disqualified from being a director under section 198 or 199;</p> <p>(e) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001 [Act 615];</p> <p>(f) dies; or</p> <p>(g) otherwise vacates his office in accordance with the constitution of the company.</p> <p>Section 208(4) of the MCA: If a vacancy is created resulting from circumstances referred to in subsection (1), the Board shall have the power, at any time, to appoint any person to be a director to fill such casual vacancy and the director so appointed shall hold office-</p> <p>(a) in the case of a public company, until the next annual general meeting; or</p>	<p>be in the interests of the company for such appointment to be made.</p> <p><i>Validity of acts of directors and officers</i></p> <p>Section 151 of the SCA: The acts of a director or chief executive officer or secretary are valid despite any defect that may afterwards be discovered in his or her appointment or qualification.</p>	

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(b) in the case of a private company, in accordance with the terms of appointment.</p> <p><u>Validity of acts of directors and officers</u> Section 204 of the MCA: The acts of a director or manager or secretary shall be valid notwithstanding any defect that is discovered after his appointment or in his qualification.</p>		
5. DISQUALIFICATION, RESIGNATION, REMOVAL AND ASSIGNMENT OF DIRECTORS		
<i>Disqualification of directors</i>		
<p>Section 198(1) of the MCA: A person shall not hold office as a director of a company or whether directly or indirectly be concerned with or takes part in the management of a company, if the person:</p> <p>(a) is an undischarged bankrupt;</p> <p>(b) has been convicted of an offence relating to the promotion, formation or management of a corporation;</p> <p>(c) has been convicted of an offence involving bribery, fraud or dishonesty;</p> <p>(d) has been convicted of an offence under sections 213, 217, 218, 228 and 539; or</p> <p>(e) has been disqualified by the Court under section 199.</p> <p>Section 198(2) of the MCA: The circumstances referred to in paragraphs (1)(a), (b), (c) and (d) shall be applicable to circumstances in or outside Malaysia.</p>	<p>Section 148(1) of the SCA: Every person who, being an undischarged bankrupt (whether the person was adjudged bankrupt by a Singapore Court or a foreign court having jurisdiction in bankruptcy), acts as director of, or directly or indirectly takes part in or is concerned in the management of, any corporation, except with the permission of the Court or the written permission of the Official Assignee, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 2 years or to both.</p> <p>Section 148(2) of the SCA: On an application by an undischarged bankrupt under subsection (1) to the Court or the Official Assignee (as the case may be) the Court or the Official Assignee may refuse the application or approve the application subject to such condition as the Court or the Official Assignee (as the case may be) may impose.</p>	<p>Both the MCA and the SCA disqualify undischarged bankrupts or who have been convicted of offences related to fraud, dishonesty, bribery, or corporate misconduct from acting as directors or participating in the management of companies.</p> <p>The MCA focuses more on bankruptcy, fraud, and court-ordered disqualification, while the SCA includes broader provisions, such as national security, securities regulation breaches, and debarment powers for non-compliance.</p>

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Section 198(3) of the MCA: Notwithstanding subsection (1), a person who has been disqualified under paragraph (1)(a) may be appointed or hold office as a director with the leave of:</p> <p>(a) the Official Receiver; or</p> <p>(b) the Court provided that a notice of intention to apply for leave has been served on the Official Receiver and the Official Receiver is heard on the application.</p> <p>Section 198(4) of the MCA: Notwithstanding subsection (1), a person who has been disqualified under paragraph (1)(b), (c), (d) or (e) may be re-appointed or hold office as a director with the leave of the Court.</p> <p>Section 199(1) of the MCA: The Court may, on an application by the Registrar, make an order to disqualify any person from acting or holding office as a director or promoter of a company, or be concerned with or taking part in the management of a company whether directly or indirectly, if:</p> <p>(a) within the last five years, the person has been a director of two or more companies which went into liquidation resulting from the company being insolvent due to his conduct as a director which contributed wholly or partly to the liquidation;</p> <p>(b) due to his contravention of the duties of a director; or</p> <p>(c) due to his habitual contravention of the MCA.</p>	<p>Section 148(3) of the SCA: The Court must not give permission under this section unless notice of intention to apply therefor has been served on the Minister and on the Official Assignee and the Minister and the Official Assignee or either of them may be represented at the hearing of and may oppose the granting of the application.</p> <p>Section 149(1) of the SCA: The Court may —</p> <p>(a) on the application of the Minister or the Official Receiver as provided for in subsection (9); and</p> <p>(b) on being satisfied as to the matters referred to in subsection (2),</p> <p>make an order disqualifying a person specified in the order from being a director or in any way, whether directly or indirectly, being concerned in, or taking part in, the management of a company, during such period not exceeding 5 years after the date of the order as is specified in the order (called in this section a disqualification order).</p> <p>Section 149(2) of the SCA: The Court must make a disqualification order under subsection (1) if it is satisfied that —</p> <p>(a) the person against whom the order is sought has been given not less than 14 days' notice of the application; and</p>	

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>(b) in respect of the person —</p> <p>(i) he or she is or has been a director of a company which has at any time gone into liquidation (whether while he or she was a director or within 3 years of his or her ceasing to be a director) and was insolvent at that time; and</p> <p>(ii) his or her conduct as director of that company either taken alone or taken together with his or her conduct as a director of any other company or companies makes him or her unfit to be a director of or in any way, whether directly or indirectly, be concerned in, or take part in, the management of a company.</p> <p>Section 149(3) of the SCA: If in the case of a person who is or has been a director of a company which is —</p> <p>(a) being wound up by the Court, it appears to the Official Receiver or to the liquidator (if the liquidator is not the Official Receiver); or</p> <p>(b) being wound up otherwise than as mentioned in paragraph (a), it appears to the liquidator,</p> <p>that the conditions mentioned in subsection (2)(b) are satisfied as respects that person, the Official Receiver or the liquidator (as the case may be) must immediately report the matter to the Minister.</p>	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>Section 149(13) of the SCA: Nothing in this section prevents a person who is disqualified pursuant to an order made under subsection (1) from applying for permission of the Court to be concerned in or take part in the management of a company.</p> <p>Section 149A(1) of the SCA: Subject to subsections (2) and (3), where a company is ordered to be wound up by the Court under section 125(1)(n) of the Insolvency, Restructuring and Dissolution Act 2018 on the ground that it is being used for purposes against national security or interest, the Court may, on the application of the Minister, make an order (called in this section a disqualification order) disqualifying any person who is a director of that company from being a director or in any way, directly or indirectly, being concerned in, or from taking part in, the management of any company or foreign company for a period of 3 years from the date of the making of the winding up order.</p> <p>Section 154(1) of the SCA: A person is subject to the disqualifications provided in subsection (3) if —</p> <p>(a) the person is convicted of any of the following offences:</p> <p>(i) any offence, whether in Singapore or elsewhere, involving fraud or dishonesty punishable with imprisonment for 3 months or more;</p>	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>(ii) any offence under Part 12 of the Securities and Futures Act 2001, where the conviction was on or after 1 July 2015; or</p> <p>(b) the person is subject to the imposition of a civil penalty under section 232 of the Securities and Futures Act 2001 on or after 1 July 2015.</p> <p>Section 154(2): The court may, in addition to any other sentence imposed, make a disqualification order against any person who is convicted in Singapore of any of the following offences:</p> <p>(a) any offence in connection with the formation or management of a corporation;</p> <p>(b) any offence under section 157 or 396B;</p> <p>(c) any offence under section 237 or 239 of the Insolvency, Restructuring and Dissolution Act 2018.</p> <p>Section 154(6) of the CA: A person who —</p> <p>(a) is disqualified under subsection (1); or</p> <p>(b) has had a disqualification order made against him or her under subsection (2),</p> <p>may apply to the Court for permission to act as a director, or to take part (whether directly or indirectly) in the management of a company, or of a foreign company to which Division 2 of Part 11</p>	

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>applies, during the period of the disqualification or disqualification order, upon giving the Minister not less than 14 days' notice of his or her intention to apply for such permission.</p> <p>Section 155(1) of the SCA: Where a person has been persistently in default in relation to relevant requirements of this Act and that person, within a period of 5 years after the person has last been adjudged guilty of any offence or has had made against the person an order under section 13 or 399 in relation to any such relevant requirements of this Act, without the permission of the Court, is a director or promoter of, or is in any way directly or indirectly concerned or takes part in the management of a company, that person shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 2 years or to both.</p> <p>Section 155A(1) of the SCA: A person who —</p> <p>(a) had been a director of 3 or more companies which names had been struck off the register under section 344(4) read with section 344(1) within a period of 5 years; and</p> <p>(b) was, at the time the name of each company mentioned in paragraph (a) was struck off the register under section 344(4) read with section 344(1), a director of the company,</p>	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>must not act as director of, or in any way (whether directly or indirectly) take part in or be concerned in the management of, any company or any foreign company to which Division 2 of Part 11 applies for the period specified in subsection (1A).</p> <p>Section 155B(1) of the SCA: Where the Registrar is satisfied that a company is in default in relation to a relevant requirement of this Act, the Registrar may make a debarment order against any person who, at the time the order is made, is a director or secretary of the company.</p> <p>Section 155B(2) of the SCA: Subject to subsection (3), a person who has a debarment order made against him or her must not —</p> <p>(a) except in respect of a company of which the person is a director immediately before the order was made — act as director of any company; or</p> <p>(b) except in respect of a company of which the person is a secretary immediately before the order was made — act as secretary of any company.</p> <p>Section 155B(3) of the SCA: The debarment order applies from the date that the order is made and continues in force until the Registrar cancels or suspends the order.</p>	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<i>Removal of directors</i>		
<p>Section 206(1) of the MCA: A director may be removed before the expiration of the director's period of office as follows:</p> <p>(a) subject to the constitution, in the case of a private company, by ordinary resolution; or</p> <p>(b) in the case of a public company, in accordance with this section.</p> <p>Section 206(2) of the MCA: Notwithstanding anything in the constitution or any agreement between a public company and a director, the company may by ordinary resolution at a meeting remove the director before the expiration of the director's tenure of office.</p> <p>Section 206(3) of the MCA: Special notice is required of a resolution to remove a director under this section or to appoint another person instead of the director at the same meeting.</p> <p>Section 206(4) of the MCA: Notwithstanding paragraph (1)(b), if a director of a public company was appointed to represent the interests of any particular class of shareholders or debenture holders, the resolution to remove the director shall not take effect until the director's successor has been appointed.</p>	<p>Section 152(1) of the SCA: A public company may by ordinary resolution remove a director before the expiration of his or her period of office, despite anything in its constitution or in any agreement between it and the director but where any director so removed was appointed to represent the interests of any particular class of shareholders or debenture holders the resolution to remove the director does not take effect until the director's successor has been appointed.</p> <p>Section 152(2) of the SCA: Special notice is required of any resolution to remove a director of a public company under subsection (1) or to appoint some person in place of a director so removed at the meeting at which the director is removed, and on receipt of notice of an intended resolution to remove a director under subsection (1) the company must immediately send a copy thereof to the director concerned, and the director, whether or not he or she is a member of the company, is entitled to be heard on the resolution at the meeting.</p> <p>Section 152(6) of the SCA: A person appointed director of a public company in place of a person removed under this section is to be treated, for the purpose of determining the time at which he or she or any other director is to retire, as if he or she had become a director on the day on which the person in whose place he or she is appointed was last</p>	<p>Both the MCA and the SCA provide that a public company may remove a director by ordinary resolution before the expiration of their office term, despite the company's constitution or any agreement with the director. Both jurisdictions require special notice for the removal of a director. If the director was appointed to represent a particular class of shareholders or debenture holders, the resolution does not take effect until a successor is appointed.</p> <p>In addition, both the MCA and SCA allow the Registrar to remove or amend the register of director if a director is disqualified to act by virtue of the provisions of the MCA and SCA respectively or if the director is deceased.</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Section 206(5) of the MCA: A person appointed as director in place of a person removed under this section shall be treated, for the purpose of determining the time at which he or any other director is to retire, as if he had become a director on the day on which the person in whose place he is appointed was last appointed a director.</p> <p>Section 200 of the MCA: Notwithstanding any provision in this Act or the constitution of a company, the Registrar shall have the power to remove the name of a director who has been disqualified under section 198 or 199 from the register kept by the Registrar for that purpose.</p>	<p>appointed a director.</p> <p>Section 152(7) of the SCA: Nothing in subsections (1) to (6) is to be taken as depriving a person removed as a director of a public company thereunder of compensation or damages payable to him or her in respect of the termination of his or her appointment as director or of any appointment terminating with that as director or as derogating from any power to remove a director which may exist apart from this section.</p> <p>Section 152(8) of the SCA: A director of a public company must not be removed by, or be required to vacate his or her office by reason of, any resolution, request or notice of the directors or any of them despite anything in the constitution or any agreement.</p> <p>Section 173F(1) of the SCA: Where the Registrar has reasonable cause to believe that a director of a company —</p> <p>(a) is no longer qualified to act as such by virtue of section 148 or 155; or</p> <p>(b) is dead,</p> <p>the Registrar may on his or her own initiative amend the register of directors of the company kept by the Registrar under section 173 to indicate that the person has ceased to be a director by virtue of that fact.</p>	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
6. RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHING TO EACH CLASS OF SHARES		
<i>Notice of meetings and business to be concluded thereat</i>		
<p>Section 316(2) of the MCA: A meeting of members of a public company, other than a meeting for the passing of a special resolution, shall be called by notice-</p> <p>(a) in the case of an annual general meeting, at least twenty-one days or any longer period specified in its constitution; and</p> <p>(b) in any other case, at least fourteen days or any longer period specified in its constitution.</p> <p>In relation to meetings for the passing of special resolutions, at least 21 days' notice is required. Please refer to Section 292 of the MCA as set out under the heading "Special Resolutions".</p> <p>Section 316(3) of the MCA: An annual general meeting may be called by a notice shorter than the period referred to in subsection (2) if agreed by all the members entitled to attend and vote at the meeting.</p> <p>Section 316(4) of the MCA: A meeting of members other than an annual general meeting may be called by a notice shorter than the period referred to in subsection (1) or (2) if so agreed by the majority in the number of members entitled to attend and vote at the meeting, being a majority who-</p>	<p>Section 177(2) of the SCA: A meeting of a company or of a class of members, other than a meeting for the passing of a special resolution, must be called by written notice of not less than 14 days or such longer period as is provided in the constitution.</p> <p>Section 177(3) of the SCA: A meeting is, even though it is called by notice shorter than is required by subsection (2), deemed to be duly called if it is so agreed —</p> <p>(a) in the case of a meeting called as the annual general meeting — by all the members entitled to attend and vote thereat; or</p> <p>(b) in the case of any other meeting — by a majority in number of the members having a right to attend and vote thereat, being a majority which together holds not less than 95% of the total voting rights of all the members having a right to vote at that meeting.</p> <p>Section 184(1) of the SCA: A resolution is a special resolution when it has been passed by a majority of not less than three-fourths of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy present at a general meeting of which —</p>	<p>The MCA and SCA have similar provision in relation to the notice period for the provision of notices of general meetings (other than annual general meetings ("AGM")) and business to be concluded thereat.</p> <p>Both the MCA and SCA stipulate a minimum notice period of 14 days for general meetings and 21 days for special resolutions</p> <p>MCA provides for 21 days' notice period for AGMs, whereas the SCA includes AGMs under the general 14 days' notice period.</p> <p>MCA allows a shorter notice period for meetings if agreed by a majority of members holding at least 90% of shares (private companies) or 95% of shares (public companies).</p> <p>SCA requires a majority of members holding at least 95% of voting rights to agree to shorten the notice period for general meetings (excluding annual general meetings), without distinguishing between private and public companies. With respect to annual general meetings, the SCA requires all the members entitled to attend and vote to agree to shorten the notice period, without distinguishing between private and public companies.</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(a) together hold not less than the requisite percentage in the number of the shares giving a right to attend and vote at the meeting, excluding any shares in the company held as treasury shares; or</p> <p>(b) in the case of a company not having a share capital, together represent not less than the requisite percentage of the total voting rights at that meeting of all the members.</p> <p>Section 316(5) of the MCA: The requisite percentage shall be-</p> <p>(a) in the case of a private company, ninety per centum or such higher percentage, not exceeding ninety five per centum as may be specified in the constitution; or</p> <p>(b) in the case of a public company, ninety five per centum.</p> <p>Section 316(6) of the MCA: Any accidental omission to give notice of a meeting to, or the non-receipt of the notice of the meeting by, any member shall not invalidate proceedings at a meeting.</p>	<p>(a) in the case of a private company — not less than 14 days' written notice; or</p> <p>(b) in the case of a public company — not less than 21 days' written notice,</p> <p>specifying the intention to propose the resolution as a special resolution has been duly given.</p> <p>Section 184(2) of the SCA: Despite subsection (1), if it so agreed by a majority in number of the members having the right to attend and vote at the meeting, being a majority which together holds not less than 95% of the total voting rights of all the members having a right to vote at that meeting, a resolution may be proposed and passed as a special resolution at a meeting of which written notice of a period less than that required under subsection (1) has been given.</p> <p>Section 392(3) of the SCA: A meeting held for the purposes of this Act, or a meeting notice of which is required to be given in accordance with the provisions of this Act, or any proceeding at such a meeting, is not invalidated by reason only of the accidental omission to give notice of the meeting or the non-receipt by any person of notice of the meeting, unless the Court, on the application of the person concerned, a person entitled to attend the meeting or the Registrar, declares proceedings at the meeting to be void.</p>	

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<i>Technology for company meetings</i>		
<p>Section 327(1) of the MCA: Subject to the constitution, a company may convene a meeting of members at more than one venue using any technology or method that enables the members of the company to participate and to exercise the members' rights to speak and vote at the meeting.</p> <p>Section 327(2) of the MCA: The main venue of the meeting shall be in Malaysia and the chairperson shall be present at that main venue of the meeting.</p>	<p>Section 173J(2) of the SCA: Unless excluded under subsection (5) or (7), a meeting to which this section applies may be held —</p> <p>(a) at a physical place;</p> <p>(b) at a physical place and using virtual meeting technology; or</p> <p>(c) using virtual meeting technology only.</p>	<p>Both the SCA and MCA have similar provisions allowing company meetings to be held by telephone or electronic means. Unlike Section 327 of the MCA, the SCA does not specify that the general meetings must be held within any particular jurisdiction.</p>
<i>Rights attaching to shares – Preference shares</i>		
<p>Section 90(4) of the MCA: no company shall allot any preference shares or convert any issued shares into preference shares unless provided by the constitution and the constitution shall set out the rights of the shareholders with respect to repayment of capital, participation in surplus assets and profits, cumulative or non-cumulative dividends, voting and priority of payment of capital and dividend in relation to other shares or other classes of preference shares.</p> <p>Pursuant to Section 91(2) of the MCA: the consent of the shareholders required for the purposes of this section shall be a written consent representing not less than seventy five per centum of the total voting rights of the shareholders in the class; or a special resolution passed by shareholders in the class sanctioning the variation.</p>	<p>Section 64A(1) of the SCA: Different classes of shares in a public company may be issued only if —</p> <p>(a) the issue of the class or classes of shares is provided for in the constitution of the public company; and</p> <p>(b) the constitution of the public company sets out in respect of each class of shares the rights attached to that class of shares.</p> <p>Section 64A(3) of the SCA: Despite anything in subsection (1) or (2), a public company must not undertake any issuance of shares in the public company that confers special, limited or conditional voting rights, or that confers no voting rights unless it is approved by the members of the public company by special resolution.</p> <p>Section 75(1) of the SCA: No company may allot</p>	<p>Both the MCA and the SCA stipulate that a company can only allot preference shares if the company's constitution permits such actions. Additionally, both jurisdictions require that the constitution specifies the rights associated with preference shares.</p> <p>Under the MCA, variations to these rights require either written consent representing not less than 75% of or a special resolution being passed by the affected class of shareholders. Furthermore, shareholders holding at least 10% of the voting rights in the affected class can apply to the court to disallow the variation.</p> <p>In contrast, the SCA allows for variations to the rights attached to a class of shares if the constitution specifies the necessary consent or</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Section 91(5) of the MCA: The issue by a company of preference shares ranking equally with the existing preference shares issued by the company shall be deemed to be a variation of the rights attached to those existing preference shares unless the issue of the preference shares was authorized by the terms of issue of the existing preference shares or by constitution of the company in force at the time the existing preference shares were issued.</p> <p>Section 93(1) of the MCA: If the rights attached to shares in any class of shares in a company are varied, the shareholders representing at least ten per centum of the total voting rights in the class may apply to the Court to have the variation disallowed.</p>	<p>any preference shares or convert any issued shares into preference shares unless there are set out in its constitution the rights of the holders of those shares with respect to repayment of capital, participation in surplus assets and profits, cumulative or non-cumulative dividends, voting and priority of payment of capital and dividend in relation to other shares or other classes of preference shares.</p> <p>Section 74(1) of the SCA: If, in the case of a company the share capital of which is divided into different classes of shares, provision is made by the constitution for authorising the variation or abrogation of the rights attached to any class of shares in the company, subject to the consent of any specified proportion of the holders of the issued shares of that class or the sanction of a resolution passed at a separate meeting of the holders of those shares, and pursuant to that provision, the rights attached to any such class of shares are at any time varied or abrogated, the holders of not less in the aggregate than 5% of the total number of issued shares of that class may apply to the Court to have the variation or abrogation cancelled, and, if any such application is made, the variation or abrogation does not have effect until confirmed by the Court.</p> <p>Section 74(6) of the SCA: The issue by a company of preference shares ranking pari passu with existing preference shares issued by the company is deemed to be a variation of the rights attached to those existing preference shares unless the issue of the firstmentioned shares was authorised by the</p>	<p>resolution requirements. Shareholders holding at least 5% of the total number of issued shares in that class of shares can apply to the court to cancel the variation, which will not take effect until it is confirmed by the court.</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	terms of issue of the existing preference shares or by the constitution of the company in force at the time the existing preference shares were issued.	
<i>Resolutions requiring special notice</i>		
<p>Section 322(1) of the MCA : Where special notice is required of a resolution under any provision of this Act, the resolution shall not be effective unless notice of the intention to move it has been given to the company at least twenty-eight days before the meeting at which it is moved.</p> <p>Section 322(2) of the MCA: The company is not required to give notice of the proposed resolution received under subsection (1) to the members unless the resolution can be properly moved at a meeting of members required under this Act.</p> <p>Section 322(3) of the MCA: The company shall, where practicable, give its members notice of any such resolution in the same manner and at the same time as it gives notice of the meeting.</p> <p>Section 322(4) of the MCA: Where it is not practicable to give its members notice in accordance with subsection (3), the company shall give its members notice of any such resolution at least fourteen days before the meeting-</p> <p>(a) by advertising it in one widely circulated newspaper in Malaysia in the national language and one widely circulated</p>	<p>Section 185 of the SCA: Where by this Act special notice is required of a resolution, the resolution is not effective unless notice of the intention to move it has been given to the company not less than 28 days before the meeting at which it is moved, and the company must give its members notice of any such resolution at the same time and in the same manner as it gives notice of the meeting or, if that is not practicable, must give them notice thereof, in any manner allowed by the constitution, not less than 14 days before the meeting, but if after notice of the intention to move such a resolution has been given to the company, a meeting is called for a date 28 days or less after the notice has been given, the notice, although not given to the company within the time required by this section, is deemed to be properly given.</p> <p>Provisions in the SCA requiring special notice to be provided are, among others, as follows:</p> <p><u>Auditors</u></p> <p>Section 205(4) of the SCA: An auditor of a company may be removed from office by resolution of the company at a general meeting of which special notice has been given, but not otherwise.</p>	<p>Both MCA and SCA provide that where special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the company not less than 28 days before the meeting at which it is moved. The requirement of special notice applies similarly for removal of auditors in both jurisdictions. The requirement of special notice applies to the removal of a director of a public company under the SCA, whereas the special notice requirement applies to the removal of directors of all companies equally under the MCA.</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>newspaper in Malaysia in the English language; or</p> <p>(b) in any other manner as specified in the constitution.</p> <p>Section 322(5) of the MCA: If, after notice of the intention to move such a resolution has been given to the company, a meeting is called on a date twenty-eight days or less after the notice has been given, the notice although not given within the time required by this section is deemed to have been properly given.</p> <p>Provisions in the MCA requiring special notice to be provided are inter alia as follows:</p> <p><u>Auditors</u> <u>Appointment of auditors</u></p> <p>Section 272(2) of the MCA: A special notice is required of such a resolution if in the case of a public company-</p> <p>(i) no annual general meeting is held since the outgoing auditor ceased to hold office due to his resignation or removal; or</p> <p>(ii) an annual general meeting is held at which an auditor should have been appointed but is not appointed.</p>	<p><u>Directors</u></p> <p>Section 152(2) of the SCA: Special notice is required of any resolution to remove a director of a public company under subsection (1) or to appoint some person in place of a director so removed at the meeting at which the director is removed, and on receipt of notice of an intended resolution to remove a director under subsection (1) the company must immediately send a copy thereof to the director concerned, and the director, whether or not he or she is a member of the company, is entitled to be heard on the resolution at the meeting.</p> <p>The relevant sections which correspond to the provisions in the MCA are found in the Insolvency, Restructuring and Dissolution Act 2018 of Singapore (“IRDA”).</p> <p>Section 164(3) of the IRDA: The company may, in general meeting convened by any contributory by special resolution of which special notice has been given to the creditors and the liquidators, remove any liquidator.</p> <p>Section 164(4) of the IRDA: No resolution under subsection (3) is effective to remove a liquidator if the Court, on the application of the liquidator or a creditor, has ordered that the liquidator not be removed.</p>	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p><u>Removal of auditors</u></p> <p>Section 277(1) of the MCA: A special notice shall be required for a resolution to remove an auditor from office at a general meeting of a company.</p> <p><u>Liquidators</u></p> <p>Section 445(3) of the MCA: The company may, in general meeting convened by any contributory by special resolution of which special notice has been given to the creditors and the liquidators, remove any liquidator but no such resolution shall be effective to remove a liquidator if the Court on the application of the liquidator or a creditor has ordered that the liquidator may not be removed.</p> <p><u>Directors</u></p> <p>Section 206(3) of the MCA: Special notice is required of a resolution to remove a director under this section or to appoint another person instead of the director at the same meeting.</p>		

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<i>Quorum for meetings</i>		
<p>Section 328(2) of the MCA: In any other case, two members personally present at a meeting or by proxy shall be a quorum unless a higher number is specified in the constitution.</p> <p>Section 328(3) of the MCA: For the purpose of constituting a quorum-</p> <p>(a) one or more representatives appointed by a corporation shall be counted as one member; or</p> <p>(b) one or more proxies appointed by a person shall be counted as one member.</p> <p>Section 328(4) of the MCA: No business shall be transacted at any meeting of members unless a quorum is present at the time when the meeting proceeds to business.</p> <p>Section 328(5) of the MCA: Unless otherwise provided in the constitution, if within half an hour from the time appointed for the meeting, a quorum is not present, the meeting-</p> <p>(a) if convened upon the requisition of members, shall be dissolved; or</p> <p>(b) in any other case, shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at</p>	<p>Section 179(1) of the SCA: So far as the constitution does not make other provision in that behalf and subject to sections 64 and 64A —</p> <p>(a) 2 members of the company personally present form a quorum;</p>	<p>Both MCA and SCA provides that unless specified by the constitution, 2 members personally present at a meeting shall constitute a quorum for any shareholders' meeting.</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
such other time and place as the directors may determine.		
<i>Circulation of financial statements</i>		
<p>Section 257(1) of the MCA: Every company shall send a copy of its financial statements and reports for each financial year to-</p> <ul style="list-style-type: none"> (a) every member of the company; (b) every person who is entitled to receive notice of general meetings; (c) every auditor of the company; and (d) every debenture holder of the company on a request being made to the company. <p>Section 257(2) of the MCA: Copies of the financial statements and reports shall be sent to the last known address provided to the company.</p> <p>Section 257(3) of the MCA: Any member or debenture holder to whom copies of the financial statements and reports have not been sent shall, on a request being made by the member or debenture holder to the company be furnished with such copies without charge.</p> <p>Section 258(1) of the MCA: The circulation of financial statements and reports-</p>	<p>Section 203(1) of the SCA: A copy of the financial statements or, in the case of a parent company, a copy of the consolidated financial statements and balance sheet (including every document required by law to be attached thereto), which is duly audited and which (or which but for section 201C) is to be laid before the company in general meeting accompanied by a copy of the auditor's report thereon must be sent to all persons entitled to receive notice of general meetings of the company —</p> <ul style="list-style-type: none"> (a) unless subsection (2) applies — not less than 14 days before the date of the meeting; or (b) if the company is not required to hold an annual general meeting because of section 175A(1)(a) — not later than 5 months after the end of the financial year to which the financial statements, or consolidated financial statements and balance sheet, relate. <p>Section 203(2) of the SCA: The financial statements, or consolidated financial statements, balance sheet and documents referred to in subsection (1) may be sent less than 14 days before the date of the meeting as required under</p>	<p>Under the MCA, financial statements must be circulated to members at least 21 days before the AGM whereas under the SCA, the financial statements must be sent to all persons entitled to receive notice of the meeting at least 14 days before the meeting. The SCA further provides that the 14-day period can be shortened if all persons entitled to receive notice of the meeting so agree.</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(a) for a private company, shall be within six months of its financial year end; and</p> <p>(b) for a public company, shall be at least twenty-one days before the date of its annual general meeting.</p> <p>Section 258(2) of the MCA: In relation to a public company, the financial statements and reports may be circulated at a shorter period if it was agreed by all the members entitled to attend and vote at the annual general meeting.</p>	<p>subsection (1)(a) if all the persons entitled to receive notice of general meetings of the company so agree.</p> <p>Section 203(3) of the SCA: Any member of a company (whether or not entitled to have sent to the member copies of the financial statements, or consolidated financial statements and balance sheet) to whom copies have not been sent and any holder of a debenture must, on a request being made by the member or debenture holder to the company, be furnished by the company without charge with a copy of the last financial statements, or consolidated financial statements and balance sheet (including every document required by this Act to be attached thereto) together with a copy of the auditor's report thereon.</p>	
<i>Annual general meetings</i>		
<p>Section 340(1) of the MCA: Every public company shall hold an annual general meeting in every calendar year in addition to any other meetings held during that period, to transact the following business:</p> <p>(a) the laying of audited financial statements and the reports of the directors and auditors;</p> <p>(b) the election of directors in place of those retiring;</p> <p>(c) the appointment and the fixing of the remuneration of auditors; and</p> <p>(d) any resolution or other business of which notice is given in accordance with this Act or the constitution.</p>	<p>Section 175(1) of the SCA: Subject to this section and section 175A, a general meeting of every company to be called the "annual general meeting" must, in addition to any other meeting, be held after the end of each financial year within —</p> <p>(a) 4 months in the case of a public company that is listed; or</p> <p>(b) 6 months in the case of any other company.</p> <p>Section 201(1) of the SCA: The directors of every company must lay before the company at its annual general meeting the financial statements for the</p>	<p>The SCA imposes a stricter timeline for holding AGMs by public companies that are listed, with a requirement of within four (4) months after the financial year end, compared to the MCA's six (6)-month period. The MCA allows a longer interval between AGMs (up to fifteen (15) months), whereas the SCA's requirement does not specify an upper limit between AGMs but ensures they occur within four (4) months from the financial year end in the case of a public company that is listed.</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Section 340(2) of the MCA: For the purposes of subsection (1), the annual general meeting shall be held-</p> <p>(a) within six months of the company's financial year end; and</p> <p>(b) not more than fifteen months after the last preceding annual general meeting.</p>	<p>financial year in respect of which the annual general meeting is held.</p>	
<i>Special resolutions</i>		
<p>Section 292(1) of the MCA: A special resolution of the members or class of members of a company means a resolution of which a notice of not less than twenty-one days has been given and passed by a majority of not less than seventy-five per centum of such members-</p> <p>(a) who are entitled to vote and do vote in person, or where proxies are allowed, by proxy at a meeting of members; or</p> <p>(b) who are entitled to vote on a written resolution.</p> <p>Section 292(4) of the MCA: A special resolution is passed on a poll taken at a meeting if it is passed by members representing not less than seventy-five per centum of the total voting rights of the members who are entitled to vote and do vote in person or by proxy on the resolution.</p> <p>Section 292(5) of the MCA: Where a resolution is passed at a meeting-</p>	<p>Section 184(1) of the SCA: A resolution is a special resolution when it has been passed by a majority of not less than three-fourths of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy present at a general meeting of which —</p> <p>(a) in the case of a private company — not less than 14 days' written notice; or</p> <p>(b) in the case of a public company — not less than 21 days' written notice,</p> <p>specifying the intention to propose the resolution as a special resolution has been duly given.</p>	<p>Both the MCA and the SCA require a special resolution to be passed by a 75% majority and with a 21-day notice period.</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(a) the resolution is not a special resolution unless the notice of the meeting includes the text of the resolution and states that the resolution is proposed as a special resolution; and</p> <p>(b) if it is so stated in the notice of the meeting, the resolution shall only be passed as a special resolution.</p>		
<i>Convening of general meetings on requisition</i>		
<p>Section 310 of the MCA: A meeting of members may be convened by-</p> <p>(a) the Board; or</p> <p>(b) any member holding at least ten per centum of the issued share capital of a company or a lower percentage as specified in the constitution or if the company has no share capital, by at least five per centum in the number of the members.</p> <p>Section 311(1) of the MCA: The members of a company may require the directors to convene a meeting of members of the company.</p> <p>Section 311(3) of the MCA: The directors shall call for a meeting of members once the company has received requisition to do so from-</p> <p>(a) members representing at least ten per centum of the paid up capital of the company carrying the right of voting at meetings of</p>	<p>Section 176(1) of the SCA: The directors of a company, despite anything in its constitution, must, on the requisition of members holding at the date of the deposit of the requisition not less than 10% of the total number of paid-up shares as at the date of the deposit carries the right of voting at general meetings or, in the case of a company not having a share capital, of members representing not less than 10% of the total voting rights of all members having at that date a right to vote at general meetings, immediately proceed duly to convene an extraordinary general meeting of the company to be held as soon as practicable but in any case not later than 2 months after the receipt by the company of the requisition.</p> <p>Section 177(1) of the SCA: Two or more members holding not less than 10% of the total number of issued shares of the company (excluding treasury shares) or, if the company has not a share capital, not less than 5% in number of the members of the</p>	<p>Both MCA and SCA provide mechanisms for members to requisition meetings with different procedural requirements and thresholds.</p> <p>Under the SCA, two or more members with at least 10% of the total number of issued shares may requisition a meeting whereas under the MCA, members need at least 10% of the issued share capital to requisition a meeting.</p> <p>Under the MCA, the company has 14 days to call a meeting and 28 days to hold it, whereas under the SCA, the company has up to 2 months after the receipt by the company of the requisition for the meeting to be held.</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>members of the company, excluding any paid up capital held as treasury shares; or</p> <p>(b) in the case of a company not having a share capital, members who represent at least five per centum of the total voting rights of all members having a right of voting at meetings of members.</p> <p>Section 311(5) of the MCA: A resolution may properly be moved at a meeting unless the resolution-</p> <p>(a) if passed, would be ineffective whether by reason of inconsistency with any written law or the constitution;</p> <p>(b) is defamatory of any person;</p> <p>(c) is frivolous or vexatious; or</p> <p>(d) if passed, would not be in the best interest of the company.</p> <p>Section 311(6) of the MCA: For the purposes of subsections (3) and (4), the right of voting shall be determined at the date the requisition is deposited with the company.</p> <p>Section 312(1) of the MCA: In relation to section 311, the directors shall-</p>	<p>company or such lesser number as is provided by the constitution may call a meeting of the company.</p>	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(a) call for the meeting within fourteen days from the date of the requisition; and</p> <p>(b) hold the meeting on a date not more than twenty-eight days after the date of the notice to convene the meeting.</p>		
<i>Right to attend meetings and vote</i>		
<p>Section 293(1) of the MCA: Unless otherwise provided in the constitution-</p> <p>(a) in the case of a company having a share capital-</p> <p>(i) on a vote on a written resolution, every member shall have one vote in respect of each share or stock held by him;</p> <p>(ii) on a vote on a resolution on a show of hands at a meeting, every member shall have one vote; or</p> <p>(iii) on a vote on a resolution on a poll taken at a meeting, every member shall have one vote in respect of each share or stock held by him; and</p> <p>(b) in the case of a company not having a share capital, every member shall have one vote.</p> <p>Section 293(2) of the MCA: Notwithstanding paragraph (1)(a), no member shall be entitled to vote at a meeting unless all calls or other sums presently payable by the member in respect of shares in the company has been paid.</p>	<p>Section 180(1) of the SCA: A member has, despite any provision in the constitution of the company, a right to attend any general meeting of the company and to speak on any resolution before the meeting.</p> <p>Section 180(2) of the SCA: In the case of a company limited by shares, the holder of a share may vote on a resolution before a general meeting of the company if, in accordance with the provisions of section 64, the share confers on the holder a right to vote on that resolution.</p> <p>Section 64(1) of the SCA: Subject to subsections (2) and (3), sections 21 and 76J, and any written law to the contrary, a share in a company confers on the holder of the share the right to one vote on a poll at a meeting of the company on any resolution.</p> <p>Section 64(2) of the SCA: A company's constitution may provide that a member is not entitled to vote unless all calls or other sums personally payable by the member in respect of shares in the company have been paid.</p>	<p>The MCA and the SCA are similar in relation to the rights of member to attend and vote at general meetings which recognises one (1) vote per member on a show of hands and one (1) vote per share or unit of stock on a poll.</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Section 294(1) of the MCA: Notwithstanding anything in the constitution, where a member entitled to vote on a resolution has appointed a proxy, the proxy shall be entitled to vote on a show of hands, provided that he is the only proxy appointed by the member.</p> <p>Section 294(2) of the MCA: Where a member entitled to vote on a resolution has appointed more than one proxy-</p> <p>(a) the proxies shall only be entitled to vote on poll; and</p> <p>(b) the appointment shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy.</p> <p>Section 294(3) of the MCA: Notwithstanding subsection (1), in the case of a company whose shares are quoted on a stock exchange, if a member entitled to vote on a resolution has appointed more than one proxy, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.</p> <p>Section 295 (1) of the MCA: In the case of joint holders of shares of a company, the joint holders shall be considered as one shareholder.</p> <p>Section 295 (2) of the MCA: For the purposes of subsection (1)-</p> <p>(a) if the joint holders purport to exercise the power in the same way, the power is treated as exercised in that way; or</p>	<p>Section 64(3) of the SCA: Subject to subsection (4) and section 64A, a right specified in subsection (1) may be negated, altered, or added to by the constitution of the company.</p> <p>Section 64(4) of the SCA: Despite subsection (3), the right of a holder of a specified share of a company to at least one vote on a poll at a meeting of the company on the following resolutions may not be negated or altered:</p> <p>(a) a resolution to wind up the company voluntarily under section 160 of the Insolvency, Restructuring and Dissolution Act 2018; or</p> <p>(b) a resolution to vary any right attached to a specified share and conferred on the holder.</p> <p>Section 179(1) of the SCA: So far as the constitution does not make other provision in that behalf and subject to sections 64 and 64A —</p> <p>(c) in the case of a company having a share capital —</p> <p>(i) on a show of hands, each member who is personally present and entitled to vote has one vote; and</p> <p>(ii) on a poll, each member has one vote in respect of each share held by the member and where all or part of the share capital consists of stock or units of stock each</p>	

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
(b) if the joint holders do not purport to exercise the power in the same way, the power is treated as not exercised.	member has one vote in respect of the stock or units of stock held by the member which is or are or were originally equivalent to one share; and (d) in the case of a company not having a share capital every member has one vote.	
<i>Proxies</i>		
<p>Section 334(1) of the MCA: A member of a company shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote at a meeting of members of the company.</p> <p>Section 334(2) of the MCA: In the case of a company having a share capital, a member may appoint more than one proxy in relation to a meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy.</p> <p>Section 334(3) of the MCA: The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notorially certified copy of that power or authority shall be deposited at the registered office of the company, or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll,</p>	<p>Section 178(1)(c) of the SCA: Any provision in a company's constitution is void insofar as it would have the effect — of requiring the instrument appointing a proxy or any other document necessary to show the validity of or otherwise relating to the appointment of a proxy to be received by the company or any other person more than 72 hours before a meeting or adjourned meeting in order that the appointment may be effective thereat.</p> <p>Section 181(1) of the SCA: Subject to this section, a member of a company entitled to attend and vote at a meeting of the company, or at a meeting of any class of members of the company, is entitled to appoint another person, whether a member or not, as the member's proxy to attend and vote instead of the member at the meeting and a proxy appointed to attend and vote instead of a member also has the same right as the member to speak at the meeting.</p> <p>Section 181(1A) of the SCA: Subject to this section, unless the constitution otherwise provides —</p> <p>(a) a proxy is not entitled to vote except on a poll;</p>	Both the MCA and SCA allow for the appointment of proxies to represent members at company meetings, with some notable differences in terms of the number of proxies allowed and their voting rights. The MCA is generally more flexible in allowing multiple proxies and broader participation rights, while the SCA imposes stricter limits of not more than two (2) number of proxies. Additionally, the SCA provides specific court powers for managing the conduct of meetings in exceptional circumstances, which is not explicitly covered in the MCA sections provided.

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>not less than twenty-four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.</p> <p>Section 294(3) of the MCA: Notwithstanding subsection (1), in the case of a company whose shares are quoted on a stock exchange, if a member entitled to vote on a resolution has appointed more than one proxy, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.</p>	<p>(b) a member is not entitled to appoint more than 2 proxies to attend and vote at the same meeting; and</p> <p>(c) where a member appoints 2 proxies, the appointments are invalid unless the member specifies the proportions of the member's holdings to be represented by each proxy.</p> <p>Section 181(1B) of the SCA: Despite anything to the contrary in the constitution of a company, a member may appoint a proxy under this section by depositing with the company an instrument of appointment by electronic means.</p> <p>Section 181(1C) of the SCA: A member of a company having a share capital who is a relevant intermediary may appoint more than 2 proxies in relation to a meeting to exercise all or any of the member's rights to attend and to speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by the member (which number and class of shares must be specified).</p>	
<i>Power of court to order meeting</i>		
<p>Section 314(1) of the MCA: This section applies if for any reason it is impracticable –</p> <p>(a) to call for a meeting of members of a company in any manner in which meetings of that company may be called; or</p>	<p>Section 182 of the SCA: If for any reason it is impracticable to call a meeting in any manner in which meetings may be called or to conduct the meeting in the manner prescribed by the constitution or this Act, the Court may, either of its own motion or on the application of any director or of any</p>	<p>Both MCA and SCA allow for the court to order a meeting of a company whether of its own motion or on the application of any directors or of any member who would be entitled to vote at the meeting.</p>

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS

(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(b) to conduct the meeting in the manner prescribed by the constitution or this Act.</p> <p>Section 314(2) of the MCA: The Court may, either of its own motion or on the application –</p> <p>(a) of a director of the company;</p> <p>(b) of a member of the company who would be entitled to vote at the meeting; or</p> <p>(c) of the personal representative of any such member,</p> <p>order a meeting to be called, held and conducted in any manner the Court thinks fit.</p> <p>Section 314(3) of the MCA: Where such an order is made, the Court may give such ancillary or consequential direction as the Court thinks expedient.</p> <p>Section 314(4) of the MCA: Such directions may include a direction that one member of the company present in person or by proxy at the meeting be deemed to constitute a quorum.</p> <p>Section 314(5) of the MCA: A meeting called, held and conducted in accordance with an order under this section shall be deemed for all purposes to be a meeting of the company duly called, held and conducted.</p>	<p>member who would be entitled to vote at the meeting or of the personal representative of any such member, order a meeting to be called, held and conducted in such manner as the Court thinks fit, and may give such ancillary or consequential directions as it thinks expedient, including a direction that one member present in person or by proxy is deemed to constitute a meeting or that the personal representative of any deceased member may exercise all or any of the powers that the deceased member could have exercised if he or she were present at the meeting.</p>	<p>While both the MCA and the SCA provide that the Court may give such ancillary or consequential directions as it thinks expedient, the SCA includes more specific provisions regarding the consequential directions that the Court may give in such a situation, including that personal representatives of deceased members may exercise all or any powers of the deceased member could have exercised at the meeting, which is not explicitly provided in the MCA.</p>

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<i>Transfer of shares</i>		
<p>Section 70 of the MCA: A share or other interest of a member in a company is personal property and transferable in accordance with section 105.</p> <p>Section 105(1) of the MCA: Subject to other written laws, any shareholder or debenture holder may transfer all or any of his shares or debentures in the company by a duly executed and stamped instrument of transfer and shall lodge the transfer with the company.</p> <p>Section 105(2) of the MCA: Subsection (1) shall not apply to a transfer of securities in a company that has been removed from the official list of a stock exchange from the central depository as defined in section 146 to the persons named in the record of depositors referred to in subsection 147(1), provided that such transfer is effected in accordance with the rules of the central depository as defined in section 146.</p> <p>Section 147(1) of the MCA: A depositor whose name appears in the record of depositors maintained by the central depository in accordance with section 34 of the Securities Industry (Central Depositories) Act 1991 in respect of the securities of a company which have been deposited with the central depository shall be deemed to be a shareholder, debenture holder or option holder of the company, as the case may be, and shall, subject to the provisions of the Securities Industry (Central</p>	<p>Section 121 of the SCA: The shares or other interest of any member in a company is movable property, transferable in the manner provided by the constitution, and is not of the nature of immovable property.</p> <p>Section 130(1) of the SCA: Despite anything in its constitution, a public company must not register a transfer of shares or debentures unless a proper instrument of transfer has been delivered to the company, but this subsection does not affect any power to register as a shareholder or debenture holder any person to whom the right to any shares in or debentures of the company has been transmitted by operation of law.</p> <p>Section 130AA(1) of the SCA: On the request in writing of the transferor of any share, debenture or other interest in a public company the company must enter in the appropriate register the name of the transferee in the same manner and subject to the same conditions as if the application for the entry were made by the transferee.</p> <p>Section 130AA(2) of the SCA: On the request in writing of the transferor of a share or debenture the public company must by written notice require the person having the possession, custody or control of the share certificate or debenture and the instrument of transfer thereof or either of them to deliver or produce it or them to the office of the company within</p>	<p>Both MCA and SCA have provisions relating to the transfer of shares or other interest of a member in a company. The shares of a company may be transferred in accordance with the rules or regulation of the stock exchanges on which the share are listed or admitted to trading.</p>

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Depositories) Act 1991 and any regulations made under that Act, be entitled to the number of securities stated in the record of depositors.</p> <p>Section 148(1) of the MCA: The transfer of any securities or class of securities of a company whose securities or any class of whose securities have been deposited with a central depository shall be by way of book entry by the central depository in accordance with the rules of the central depository and notwithstanding section 105, 106 or 110, such company shall be precluded from registering and effecting any transfer of securities or class of securities which have been deposited for such company.</p> <p>Section 148(2) of the MCA: Subsection (1) shall not apply to a transfer of securities to a central depository or its nominee company or from the central depository or its nominee company to the depositors.</p>	<p>a stated period, being not less than 7 and not more than 28 days after the date of the notice, to have the share certificate or debenture cancelled or rectified and the transfer registered or otherwise dealt with.</p> <p>Section 130(2) of the SCA: Where there has been a transfer of shares, a public company may lodge with the Registrar a notice of that transfer of shares in the prescribed form.</p> <p>Other relevant provisions can also be found in the Securities and Futures Act 2001 (“SFA”):</p> <p>Section 81SJ of the SFA: Despite anything in the Companies Act 1967 or any other written law or rule of law or in any instrument or in the constitution of a corporation, where book-entry securities of the corporation are deposited with the Depository or its nominee —</p> <p>(a) the Depository or its nominee (as the case may be) is deemed not to be a member of the corporation; and</p> <p>(b) the persons named as the depositors in a Depository Register are, for such period as the book-entry securities are entered against their names in the Depository Register, deemed to be —</p> <p>(i) members of the corporation in respect of the amount of book-entry securities (relating to the stocks or shares issued by the corporation) entered against their respective names in the Depository Register; or</p>	

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	(ii) holders of the amount of the book-entry securities (relating to the debentures or any derivative instrument) entered against their respective names in the Depository Register.	
<i>Refusal to register transfer</i>		
<p>Section 106(1) of the MCA: A company shall enter or cause to be entered the name of the transferee in the register of members as shareholder within thirty days from the receipt of the instrument of transfer under subsection 105(1) unless—</p> <p>(a) this Act or the constitution of the company expressly permits the directors to refuse or delay registration for the reasons stated;</p> <p>(b) the directors passed a resolution to refuse or delay the registration of the transfer within thirty days from the receipt of the instrument of transfer and the resolution sets out in full the reasons for refusing or delaying the registration; and</p> <p>(c) the notice of the resolution, and in the case of a public company including the reasons referred to in paragraph (b) is sent to the transferor and to the transferee within seven days of the resolution being passed</p>	<p>Section 130AB(1) of the SCA: If a public company refuses to register a transfer of any share, debenture or other interest in the company it must, within 30 days after the date on which the transfer was lodged with it, send to the transferor and to the transferee notice of the refusal.</p> <p>Section 130(1) of the SCA: Despite anything in its constitution, a public company must not register a transfer of shares or debentures unless a proper instrument of transfer has been delivered to the company, but this subsection does not affect any power to register as a shareholder or debenture holder any person to whom the right to any shares in or debentures of the company has been transmitted by operation of law.</p> <p>Section 130AB(2): Where an application is made to a public company for a person to be registered as a member in respect of shares which have been transferred or transmitted to the person by act of parties or operation of law, the company must not refuse registration by virtue of any discretion in that behalf conferred by its constitution unless it has served on the applicant, within 30 days beginning with the day on which the application was made, a</p>	<p>Both the MCA and SCA require prompt notification to be sent to the transferor and transferee if a transfer registration is refused.</p> <p>There is a procedural difference where the MCA has a more detailed procedural requirement including a board resolution to be passed for the refusal or delay within 30 days and notice of the resolution to be sent within 7 days of the resolution being passed whereas the SCA provides that a written notice to be served on the applicant within 30 days.</p>

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Section 106(2) of the MCA: Subject to the constitution, the directors may refuse or delay the registration of a transfer of shares under subsection (1) where the shareholder fails to pay the company an amount due in respect of those shares, whether by way of consideration for the issue of the shares or in respect of the sums payable by the shareholder in accordance with the constitution.</p> <p>Section 107(1) of the MCA: If a company refuses to register a transfer, the transferee or the transferor may apply to the Court for an order under this section.</p> <p>Section 107(2) of the MCA: On an application under subsection (1), the Court may order the company to register the transfer, if the Court is satisfied that the application is well-founded.</p>	<p>written notice stating the facts which are considered to justify refusal in the exercise of that discretion.</p>	
<i>Power of directors to dispose of the company's or any of its subsidiaries' assets</i>		
<p>Section 223(1) of the MCA: Notwithstanding anything in the constitution, the directors shall not enter or carry into effect any arrangement or transaction for –</p> <p>(a) the acquisition of an undertaking or property of a substantial value; or</p> <p>(b) the disposal of a substantial portion of the company's undertaking or property;</p> <p>unless –</p> <p>(i) the entering into the arrangement or transaction is made subject to the approval of the company by way of a resolution; or</p>	<p>Section 160(1) of the SCA: Despite anything in a company's constitution, the directors must not carry into effect any proposals for disposing of the whole or substantially the whole of the company's undertaking or property unless those proposals have been approved by the company in general meeting.</p> <p>Section 160(2) of the SCA: The Court may, on the application of any member of the company, restrain the directors from entering into a transaction in contravention of subsection (1).</p>	<p>Both the MCA and SCA emphasises the need for shareholders' approval for disposals involving substantial assets.</p> <p>In addition, as the Company is listed on the SGX, the Directors are at all times required to comply with the SGX Listing Manual which apply to the Company in relation to acquisitions and disposals by the Company and its subsidiaries. Where the percentage ratios (or relative figures, as defined under the SGX Listing Manual) for a disposal exceed 5.0% but do not exceed 20.0%, an</p>

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS

(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(ii) the carrying into effect of the arrangement or transaction has been approved by the company by way of a resolution.</p> <p>Section 223(2) of the MCA: For the purposes of subsection (1) –</p> <p>(a) the term “undertaking or property” includes the whole or substantially the whole of the rights, including developmental rights, benefits or control in the undertaking or property;</p> <p>(b) in the case of a company where all or any of its shares are quoted on a stock exchange, or its subsidiary, the term “substantial value” or “substantial portion” shall mean the same value prescribed in the listing requirements of the stock exchange where approval of the shareholders at a general meeting is required;</p> <p>(c) in the case of an unlisted subsidiary whose holding company is a listed company, the directors of such holding company shall procure the shareholders’ approval of the holding company in a general meeting for the arrangement or transaction by the unlisted subsidiary in addition to the shareholders’ approval of the unlisted subsidiary in a general meeting procured by the directors of the unlisted subsidiary.</p> <p>Section 223(3) of the MCA: In the case of any company other than a company to which subsection (2) applies, an undertaking or property shall be</p>	<p>Section 160(3) of the SCA: A transaction entered into in contravention of subsection (1) is, in favour of any person dealing with the company for valuable consideration and without actual notice of the contravention, as valid as if that subsection had been complied with.</p> <p>Section 160(4) of the SCA: This section does not apply to proposals for disposing of the whole or substantially the whole of the company’s undertaking or property made by a receiver and manager of any part of the undertaking or property of the company appointed under a power contained in any instrument or a liquidator of a company appointed in a voluntary winding up.</p>	<p>announcement would be required. If the percentage ratios exceed 20.0%, both an announcement and shareholders’ approval would be required.</p> <p>Please refer to Annexure C for the summary comparison between the SGX Listing Manual and the Listing Requirements.</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>considered to be of a substantial value and a portion of the company's undertaking or property shall be considered to be a substantial portion if –</p> <p>(a) its value exceeds twenty-five per centum of the total assets of the company;</p> <p>(b) the net profits, after deducting all charges except taxation and excluding extraordinary items, attributed to it amounts to more than twenty-five per centum of the total net profit of the company; or</p> <p>(c) its value exceeds twenty-five per centum of the issued share capital of the company, whichever is the highest.</p> <p>Section 223(4) of the MCA: The Court may, on the application of any member of the company, restrain the directors from entering into or carrying into effect an arrangement or transaction which is in contravention of subsection (1).</p> <p>Section 223(5) of the MCA: An arrangement or transaction which is in contravention of subsection (1) shall be void except in favour of any person dealing with the company for valuable consideration and without actual notice of the contravention.</p> <p>Section 223(6) of the MCA: This section shall not apply to proposals for disposing of the whole or substantially the whole of the company's undertaking or property made by a receiver or receiver and manager of any part of the undertaking or property of the company appointed under a power contained in any instrument or by a Court or a</p>		

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
liquidator of a company appointed in a voluntary winding up.		
<i>Alterations of Constitution/constituent documents</i>		
<p>Section 36(1) of the MCA: A company having a constitution may, by a special resolution, alter or amend its constitution unless the constitution itself prohibits the alteration or amendment.</p> <p>Section 37(1) of the MCA: The Court may, on the application of a director or member of a company, if it is satisfied that it is not practicable to alter or amend the constitution of the company using the procedures set out in this Act or in the constitution itself, make an order to alter and amend the constitution of a company on such terms and conditions as it thinks fit.</p>	<p>Section 26(1) of the SCA: Unless otherwise provided in this Act, the constitution of a company may be altered or added to by special resolution.</p> <p>Section 26(1A) of the SCA: Subsection (1) is subject to section 26A and to any provision included in the constitution of a company in accordance with that section.</p> <p>Section 26(1B) of the SCA: Despite subsection (1), a provision contained in the constitution of a company immediately before 1 April 2004 and which could not be altered under the provisions of this Act in force immediately before that date, may be altered only if all the members of the company agree.</p> <p>Section 26A(1) of the SCA: An entrenching provision may —</p> <p>(a) be included in the constitution with which a company is formed; and</p> <p>(b) at any time be inserted in the constitution of a company only if all the members of the company agree.</p>	<p>Both the MCA and the SCA allow for constitutional changes through special resolution, However, MCA provides an additional mechanism for altering the constitution through court order.</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>Section 26A(2) of the SCA: An entrenching provision may be removed or altered only if all the members of the company agree.</p> <p>Section 26A(3) of the SCA: The provisions of this Act relating to the alteration of the constitution of a company are subject to any entrenching provision in the constitution of a company.</p> <p>Section 26A(4) of the SCA: In this section, “entrenching provision” means a provision of the constitution of a company to the effect that other specified provisions of the constitution —</p> <p>(a) may not be altered in the manner provided by this Act; or</p> <p>(b) may not be so altered except —</p> <p>(i) by a resolution passed by a specified majority greater than 75% (the minimum majority required by this Act for a special resolution); or</p> <p>(ii) where other specified conditions are met.</p>	
<i>Giving of financial assistance to purchase the company's or its holding company's shares</i>		
Section 123(1) of the MCA: Unless otherwise provided in this Act, a company shall not give any financial assistance, whether directly or indirectly and whether by means of a loan, guarantee or the provision of security or otherwise, for the purpose of	Section 76(1) of the SCA: Except as otherwise expressly provided by this Act, a public company or a company whose holding company or ultimate holding company is a public company must not, whether directly or indirectly, give any financial	Both the MCA and the SCA restrict a company from providing financial assistance for the purpose of acquiring its own shares or shares in its holding company. In the case of the SCA, the restriction extends to the ultimate holding company.

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>or in connection with a purchase or subscription made or to be made by any person of or for –</p> <p>(a) any shares in the company; or</p> <p>(b) in the case where the company is a subsidiary, any shares in its holding company, or in any way purchase, deal in or lend money on its own shares.</p> <p>Section 123(2) of the MCA: Unless otherwise provided in this Act, a company shall not give financial assistance directly or indirectly for the purpose of reducing or discharging the liability, if –</p> <p>(a) a person has acquired shares in the company or its holding company; and</p> <p>(b) the liability has been incurred by any person for the purpose of the acquisition of the shares.</p>	<p>assistance for the purpose of, or in connection with —</p> <p>(a) the acquisition by any person, whether before or at the same time as the giving of financial assistance, of —</p> <p>(i) shares or units of shares in the company; or</p> <p>(ii) shares or units of shares in a holding company or ultimate holding company (as the case may be) of the company; or</p> <p>(b) the proposed acquisition by any person of —</p> <p>(i) shares or units of shares in the company; or</p> <p>(ii) shares or units of shares in a holding company or ultimate holding company (as the case may be) of the company.</p> <p>Section 76(1A) of the SCA: Except as otherwise expressly provided by this Act, a company must not —</p> <p>(a) whether directly or indirectly, in any way –</p> <p>(i) acquire shares or units of shares in the company; or</p> <p>(ii) purport to acquire shares or units of shares in a holding company or ultimate holding</p>	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>company, as the case may be, of the company; or</p> <p>(b) whether directly or indirectly, in any way, lend money on the security of —</p> <p>(i) shares or units of shares in the company; or</p> <p>(ii) shares or units of shares in a holding company or ultimate holding company, as the case may be, of the company.</p> <p>Section 76(2) of the SCA: A reference in this section to the giving of financial assistance includes a reference to the giving of financial assistance by means of the making of a loan, the giving of a guarantee, the provision of security, the release of an obligation or the release of a debt or otherwise.</p>	
<i>Accounts, audit and systems of internal control</i>		
<p>Section 245(1) of the MCA: A company, the directors and managers of a company shall –</p> <p>(a) cause to be kept the accounting and other records to sufficiently explain the transactions and financial position of the company and enable true and fair profit and loss accounts and balance sheets and any documents required to be attached thereto to be prepared; and</p> <p>(b) cause the accounting and other records to be kept in a manner as to enable the accounting</p>	<p>Section 199(1) of the SCA: Every company must cause to be kept such accounting and other records as will sufficiently explain the transactions and financial position of the company and enable true and fair financial statements and any documents required to be attached thereto to be prepared from time to time, and must cause those records to be kept in such manner as to enable them to be conveniently and properly audited.</p>	<p>Generally, both the MCA and SCA require companies to maintain detailed accounting records, ensure financial statements comply with accounting standards, implement internal controls, and appoint auditors.</p> <p>However, both cater differently in relation to the duration of record retention (7 years under the MCA and 5 years under the SCA).</p>

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>and other records to be conveniently and properly audited.</p> <p>Section 245(3) of the MCA: The company shall retain the records referred to in subsection (1) for seven years after the completion of the transactions or operations to which the entries relate.</p> <p>Section 244(1) of the MCA: The approved accounting standards shall apply to the financial statements of a company or the consolidated financial statements of a holding company if, at the time when the financial statements or consolidated financial statements are made out, the approved accounting standards –</p> <p>(a) apply in relation to the financial year of the company or the holding company to which the financial statements or consolidated financial statements relate; and</p> <p>(b) are relevant to those financial statements or consolidated financial statements.</p> <p>Section 244(2) of the MCA: Without prejudice to the generality of the provisions of this Subdivision, the directors of a company shall ensure that the financial statements of the company and, if the company is a holding company for which consolidated financial statements are required, the consolidated financial statements of the company are made out in accordance with the applicable approved accounting standards and shall –</p>	<p>Section 199(2) of the SCA: The company must retain the records referred to in subsection (1) for a period of not less than 5 years from the end of the financial year in which the transactions or operations to which those records relate are completed.</p> <p>Section 199(2A) of the SCA: Every public company and every subsidiary company of a public company must devise and maintain a system of internal accounting controls sufficient to provide a reasonable assurance that —</p> <p>(a) assets are safeguarded against loss from unauthorised use or disposition; and</p> <p>(b) 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.</p> <p>Section 201(1) of the SCA: The directors of every company must lay before the company at its annual general meeting the financial statements for the financial year in respect of which the annual general meeting is held.</p> <p>Section 201(2) of the SCA: Subject to subsections (12) to (15), the financial statements mentioned in subsection (1) must comply with the requirements of the Accounting Standards and give a true and fair view of the financial position and performance of the company.</p>	

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(a) in the case of a public company, be circulated to its members and laid before the company at its annual general meeting; or</p> <p>(b) in the case of a private company, be circulated to its members or laid before the company at a meeting of members.</p> <p>Section 244(4) of the MCA: If the financial statements of a company or consolidated financial statements of a holding company are not prepared in accordance with a particular approved accounting standard under subsection (3), the directors of the company shall –</p> <p>(a) disclose by way of a note on the financial statements the reason for not making out the financial statements or consolidated financial statements in accordance with the approved accounting standards; and</p> <p>(b) give particulars in the note of the quantified financial effect on the financial statements or consolidated financial statements if the relevant approved accounting standards was complied with.</p> <p>Section 246(1) of the MCA: The directors of a public company or a subsidiary of a public company shall have in place a system of internal control that will provide a reasonable assurance that –</p> <p>(a) the assets of the company are safeguarded against loss from unauthorized use or disposition and to give a proper account of the assets; and</p>	<p>Section 201(5) of the SCA: Subject to subsections (12) to (15), the directors of a company that is a parent company at the end of its financial year need not comply with subsection (1) but must cause to be made out and laid before the company at its annual general meeting —</p> <p>(a) consolidated financial statements dealing with the financial position and performance of the group for the financial year in respect of which the annual general meeting is held; and</p> <p>(b) a balance sheet dealing with the state of affairs of the parent company at the end of its financial year,</p> <p>each of which complies with the requirements of the Accounting Standards and gives a true and fair view of the matters referred to in paragraph (a) or (b) (as the case may be) so far as it concerns members of the parent company.</p> <p>Section 201(8) of the SCA: The financial statements must be duly audited before they are laid before the company at its annual general meeting as required by this section, and the auditor's report required by section 207 must be attached to or endorsed upon those financial statements.</p> <p>Section 201(9) of the SCA: The directors of the company must —</p>	

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(b) all transactions are properly authorized and that the transactions are recorded as necessary to enable the preparation of true and fair view of the financial statements of the company.</p> <p>Section 248(1) of the MCA: The directors of every company shall prepare financial statements –</p> <p>(a) within eighteen months from the date of its incorporation; and</p> <p>(b) subsequently, within six months of its financial year end.</p> <p>Section 248(2) of the MCA: The financial statements referred to in subsection (1) shall be duly audited before the financial statements are sent to every member under section 257 or, in the case of a public company, sent to every member under section 257 and laid before an annual general meeting under section 340.</p> <p>Section 251(1) of the MCA: Financial statements shall be –</p> <p>(a) approved by the Board; and</p> <p>(b) accompanied with a statutory declaration by a director or where the director is not primarily responsible for the financial management of the company, by the person responsible in setting forth his opinion as to the correctness or otherwise of the financial statements and where applicable, the consolidated financial statements.</p>	<p>(a) take reasonable steps to ensure that the financial statements are audited as required by this Part not less than 14 days before the annual general meeting of the company, unless all the persons entitled to receive notice of general meetings of the company agree that the financial statements may be audited as required by this Part less than 14 days before the annual general meeting of the company; and</p> <p>(b) cause to be attached to those financial statements the auditor's report that is furnished to the directors under section 207(1A).</p> <p>Section 201(16) of the SCA: The financial statements laid before a company at its general meeting (including any consolidated financial statements annexed to the balance sheet of a parent company) must be accompanied, before the auditor reports on the financial statements under this Part, by a statement signed on behalf of the directors by 2 directors of the company containing the information set out in the Twelfth Schedule.</p> <p>Section 205(1) of the SCA: The directors of a company must, within 3 months after incorporation of the company, appoint an accounting entity or accounting entities to be the auditor or auditors of the company, and any auditor or auditors so appointed hold office, subject to this section, until the conclusion of the first annual general meeting.</p>	

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Section 251(2) of the MCA: The directors shall make a statement in accordance with the resolution of the Board stating whether in their opinion the financial statements or where applicable the consolidated financial statements is or are drawn up, in accordance with the applicable accounting standards, to give a true and fair view of the financial position and financial performance of the company and of the group.</p> <p>Section 252(1) of the MCA: The directors of a company shall prepare for each financial year a report and such report shall be attached to the financial statements prepared under section 248.</p> <p>Section 252(2) of the MCA: A directors' report – (a) shall be approved by the Board; and (b) shall be signed on the directors' behalf by at least two directors, or in the case of a single director, that director.</p> <p>Section 271(1) of the MCA: An auditor of a public company shall be appointed for each financial year of the company.</p> <p>Section 271(2) of the MCA: Notwithstanding subsection (1), the Board shall appoint an auditor – (a) at any time before the first annual general meeting of the company; or (b) to fill casual vacancy in the office of the auditor.</p>	<p>Section 205(2) of the SCA: A company must at each annual general meeting of the company appoint an accounting entity or accounting entities to be the auditor or auditors of the company, and any auditor or auditors so appointed hold office, subject to this section, until the conclusion of the next annual general meeting of the company.</p> <p>Section 205(3) of the SCA: Subject to subsections (7) and (8) and section 205AF, the directors may appoint an accounting entity to fill any casual vacancy in the office of auditor of the company, but while such a vacancy continues the surviving or continuing auditor or auditors (if any) may act.</p>	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Section 271(3) of the MCA: Any auditor appointed under subsection (2) shall hold office until the conclusion of –</p> <ul style="list-style-type: none"> (a) the first annual general meeting for the appointment under paragraph 2(a); or (b) the next annual general meeting for the appointment under paragraph 2(b). <p>Section 273 of the MCA: The auditor of a public company shall hold office in accordance with the terms of his appointment, provided that –</p> <ul style="list-style-type: none"> (a) he does not take office until the previous auditor has ceased to hold office unless he is the first auditor of the company, and (b) he ceased to hold office at the conclusion of the annual general meeting next following his appointment, unless he is re-appointed. 		
<i>Inspection of Register of Members and minute books</i>		
<p>Section 341(1) of the MCA: Every company shall keep records comprising –</p> <ul style="list-style-type: none"> (a) all resolutions of members passed otherwise than at the meeting of members; (b) minutes of all proceedings of meetings of members; and (c) details (of decisions by a sole member) provided to the company. 	<p>Section 189(1) of the SCA: The books mentioned in section 188(1) and (3A) must be kept by the company at the registered office or the principal place of business in Singapore of the company, and must be open to the inspection of any member without charge.</p> <p>Section 189(2) of the SCA: Any member is entitled to be furnished within 14 days after the member has made a request in writing in that behalf to the company with a copy of any minutes specified in</p>	<p>Both the MCA and SCA require the keeping of minutes of proceedings. The MCA requires additional records such as resolutions passed outside meetings and decisions by sole members to be kept. The MCA also allows non-members to inspect the register index for a fee whereas this is limited to names, addresses, number of shares held and amounts paid on shares under the SCA.</p> <p>Both the MCA and SCA specify fees for copies of records and require these to be provided within a set</p>

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS

(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Section 342(1) of the MCA: The records referred to in section 341 relating to the previous seven years shall be kept available for inspection –</p> <p>(a) at the registered office of the company; or</p> <p>(b) at another place which a notice has been given under subsection (2).</p> <p>Section 342(3) of the MCA: The records shall be made available for inspection by any member of the company without charge.</p> <p>Section 342(4) of the MCA: Any member shall be entitled to be furnished with a copy of any minutes specified under section 341 within fourteen days after he has made a request in writing to the company at a charge not exceeding two ringgit for every one hundred words.</p> <p>Section 55(1) of the MCA: The register index shall be open for inspection by any member without charge and to any other person on payment for each inspection of ten ringgit or such lesser sum as the company requires.</p> <p>Section 55(2) of the MCA: Any member or other person may request the company to furnish him with a copy of the register, or of any part the register, but only so far as it relates to names, addresses, number of shares held and amounts paid on shares, on payment in advance of ten ringgit or such lesser</p>	<p>section 188(1) or (3A) at a charge not exceeding \$1 for every page thereof.</p> <p>Section 188(1) of the SCA: Every company must cause —</p> <p>(a) minutes of all proceedings of general meetings and of meetings of its directors and of its chief executive officers (if any) to be entered in books kept for that purpose within one month of the date upon which the relevant meeting was held; and</p> <p>(b) those minutes to be signed by the chairperson of the meeting at which the proceedings were had or by the chairperson of the next succeeding meeting.</p> <p>Section 191(1) of the SCA: The register of members and index (if any) must be kept at the registered office of the public company, but —</p> <p>(a) if the work of making them up is done at another office of the company in Singapore they may be kept at that other office; or</p> <p>(b) if the company arranges with some other person to make up the register and index (if any) on its behalf they may be kept at the office of that other person at which the work is done if that office is in Singapore.</p> <p>Section 192(2) of the SCA: The register and index must be open to the inspection of any member without charge and of any other person on payment</p>	<p>timeframe. Charges pursuant to the MCA are based on word count, while the charges pursuant to the SCA are based on number of pages.</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
sum as the company requires for every hundred words or fractional part of the register required to be copied and the company shall cause any copy requested by any person to be sent to that person within a period of twenty-one days or within such period as the Registrar considers reasonable from the day on which the request is received by the company.	<p>for each inspection of \$1 or such less sum as the public company requires.</p> <p>Section 192(3) of the SCA: Any member or other person may request the public company to furnish that member or other person with a copy of the register, or of any part thereof, but only so far as it relates to names, addresses, number of shares held and amounts paid on shares, on payment in advance of \$1 or such less sum as the company requires for every page thereof required to be copied and the company must cause any copy so requested by any person to be sent to that person within a period of 21 days or within such further period as the Registrar considers reasonable in the circumstances commencing on the day next after the day on which the request is received by the company.</p> <p>Section 12(2) of the SCA: (2): Any person may, on payment of the prescribed fee —</p> <p>(a) inspect any document, or if there is a microfilm of any such document, that microfilm, filed or lodged with the Registrar;</p> <p>(b) subject to subsection (2AA), require a copy of the notice of incorporation of a company, any certificate issued under this Act, any document or extract from any document kept by the Registrar to be given or certified by the Registrar;</p>	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>(c) inspect any register of directors, chief executive officers, secretaries or auditors kept by the Registrar under section 173(1) or require a copy of or an extract from any such register; or</p> <p>(d) inspect the register of members of any private company kept by the Registrar under section 196A or require a copy of or an extract from any such register.</p> <p>Section 12(2C) of the SCA: Despite subsection (2), a director, chief executive officer, secretary, auditor or member of a company may, without charge —</p> <p>(a) inspect the register of directors, register of chief executive officers, register of secretaries and register of auditors of that company kept by the Registrar under section 173(1); or</p> <p>(b) obtain from the Registrar a copy of or an extract from the register of directors, register of chief executive officers, register of secretaries and register of auditors of that company kept by the Registrar under section 173(1).</p>	
<i>Inspection of Register of Directors</i>		
<p>Section 57(1) of the MCA: Every company shall keep at its registered office a register of its directors, managers and secretaries containing, but not limited to, the following particulars:</p> <p>(a) in respect of a director –</p>	<p>Section 173(1) of the SCA: The Registrar must, in respect of each company, keep a register of the company's —</p> <p>(a) directors;</p>	<p>Both the MCA and the SCA require a company to keep a register of its directors, principal / chief executive officers and secretaries.</p> <p>The MCA requires more detailed information for directors, including their business occupation and</p>

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS

(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(i) his name, residential address, service address, date of birth, business occupation and identification; and</p> <p>(ii) particulars of any other directorships of public companies or companies which are subsidiaries of public companies held by the director, but it shall not be necessary for the register to contain particulars of directorships held by a director in a company that by virtue of section 7 is deemed to be related to that company;</p> <p>(b) in respect of a manager and secretary, his full name, identification and residential address, business address, if any, and other occupation.</p> <p>Section 57(2) of the MCA: For the purposes of paragraph (1) (a), if a person is a director in one or more subsidiaries of the same holding company, it shall be sufficient if it is disclosed that the person is the holder of one or more directorships in that group of companies and the group may be described by the name of the holding company with the addition of the word "Group".</p> <p>Section 57(3) of the MCA: The register shall be open for inspection of any member of the company without charge and of any other person on payment of ten ringgit, or such lesser sum as the company requires, for each inspection.</p>	<p>(b) chief executive officers;</p> <p>(c) secretaries; and</p> <p>(d) auditors (if any).</p> <p>Section 173(3) of the SCA: Subject to subsection (4), the register of a company's directors must contain the following information in respect of each director of the company:</p> <p>(a) full name and any former name;</p> <p>(b) residential address or, at the director's option, alternate address;</p> <p>(c) nationality;</p> <p>(d) identification;</p> <p>(e) date of appointment;</p> <p>(f) date of cessation of appointment.</p> <p>Section 12(2) of the SCA: Any person may, on payment of the prescribed fee —</p> <p>(a) inspect any document, or if there is a microfilm of any such document, that microfilm, filed or lodged with the Registrar;</p> <p>(b) subject to subsection (2AA), require a copy of the notice of incorporation of a company, any</p>	<p>directorships in other public companies. The SCA requires details which are not required under the MCA such as nationality, and appointment/cessation dates.</p> <p>Both jurisdictions require detailed records of directors' interests in shares (including any rights or options), debentures, and related contracts.</p> <p>In addition, both jurisdictions provide for inspections by members without charge and prescribe maximum charge for inspection by non-members.</p>

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Section 59(1) of the MCA: A company shall keep a register showing with respect to each director of the company particulars of-</p> <p>(a) shares in the company or in a related corporation being shares in which the director has an interest and the nature and extent of that interest;</p> <p>(b) debentures of or participatory interests made available by the company or a related corporation being debentures or participatory interests in which the director has an interest and the nature and extent of that interest;</p> <p>(c) rights or options of the director or of the director and other person in respect of the acquisition or disposal of shares in, debentures of or participatory interests made available by the company or a related corporation; and</p> <p>(d) contracts to which the director is a party or under which he is entitled to a benefit being contracts under which a person has a right to call for or to make delivery of shares in, debentures of or participatory interests made available by the company or a related corporation.</p> <p>Section 59(7) of the MCA: The register shall be open for inspection by a member of the company without charge and by any other person on payment of twenty ringgit or such lesser amount as the company requires.</p>	<p>certificate issued under this Act, any document or extract from any document kept by the Registrar to be given or certified by the Registrar;</p> <p>(c) inspect any register of directors, chief executive officers, secretaries or auditors kept by the Registrar under section 173(1) or require a copy of or an extract from any such register; or</p> <p>(d) inspect the register of members of any private company kept by the Registrar under section 196A or require a copy of or an extract from any such register.</p> <p>Section 164(1) of the SCA: A company must keep a register showing with respect to each director of the company particulars of —</p> <p>(a) shares in that company or in a related corporation, being shares of which the director is a registered holder or in which he or she has an interest and the nature and extent of that interest;</p> <p>(b) debentures of or participatory interests made available by the company or a related corporation which are held by the director or in which he or she has an interest and the nature and extent of that interest;</p> <p>(c) rights or options of the director or of the director and another person or other persons in respect of the acquisition or disposal of shares in the company or a related corporation; and</p>	

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>(d) contracts to which the director is a party or under which he or she is entitled to a benefit, being contracts under which a person has a right to call for or to make delivery of shares in the company or in a related corporation.</p> <p>Section 164(8) of the SCA: A company must, subject to this section, keep its register at the registered office of the company and the register must be open for inspection by a member of the company without charge and by any other person on payment for each inspection of a sum of \$3 or such lesser sum as the company requires.</p>	
<i>Disclosure of substantial shareholders</i>		
<p>Section 137(1) of the MCA provides that a substantial shareholder in a company shall give notice in writing to the company if he has any interest related to any particular shares.</p> <p>Section 137(2) of the MCA: The notice shall—</p> <p>(a) contain the name, nationality, address and full particulars of the voting shares in which the substantial shareholder has an interest; and</p> <p>(b) include, unless the interest cannot be related to a particular shares:</p> <p>(i) the name of the person who is registered as the shareholder; and</p>	<p>Section 82(1) of the SCA: A person who is a substantial shareholder in a company must give written notice to the company stating the person's name and address and full particulars (including, unless the interest or interests cannot be related to a particular share or shares, the name of the person who is registered as the holder) of the voting shares in the company in which the person has an interest or interests and full particulars of each such interest and of the circumstances by reason of which the person has that interest.</p> <p>Section 82(2) of the SCA: The notice must be given —</p> <p>(a) if the person was a substantial shareholder on 1 October 1971 — within one month after that date; or</p>	<p>Both jurisdictions define substantial shareholding as holding 5% or more of voting shares. The MCA provides a notice requirement of within 3 days for listed companies and 5 days for others, with detailed particulars, whereas the SCA requires notice within 2 business days, with similar detailed particulars.</p> <p>Both jurisdictions require notification of changes and cessation of substantial shareholding.</p>

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(ii) the full particulars and the circumstances by reason of which the substantial shareholder has the interest.</p> <p>Section 137(3) of the MCA: The substantial shareholder shall give the notice referred to in subsection 137(1) to the company:</p> <p>(a) in the case of a company whose shares are quoted on a stock exchange, within three days after the person becomes a substantial shareholder; or</p> <p>(b) in any other case, within five days after the person becomes a substantial shareholder.</p> <p>Section 136 of the MCA defines substantial shareholdings and substantial shareholders as follows:</p> <p>(1) For the purposes of this Subdivision, a person has a substantial shareholding in a company:</p> <p>(a) if the person has an interest in one or more voting shares in the company and the number or the aggregate number of such shares is not less than five per centum of the total number of all the voting shares included in the company; or</p>	<p>(b) if the person became a substantial shareholder after that date — within 2 business days after becoming a substantial shareholder.</p> <p>Section 82(3) of the SCA: The notice must be so given even though the person has ceased to be a substantial shareholder before the expiration of whichever period referred to in subsection (2) is applicable.</p> <p>Section 81(1) of the SCA: For the purposes of this Division, a person has a substantial shareholding in a company if —</p> <p>(a) the person has an interest or interests in one or more voting shares in the company; and</p> <p>(b) 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 in the company.</p> <p>Section 81(2) of the SCA: For the purposes of this Division, a person has a substantial shareholding in a company, being a company the share capital of which is divided into 2 or more classes of shares, if —</p> <p>(a) the person has an interest or interests in one or more voting shares included in one of those classes; and</p> <p>(b) 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 included in that class.</p>	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(b) being a company the share capital of which is divided into-</p> <p>(i) two or more classes of the shares, if the person has an interest in one or more voting shares include in one of those classes; and</p> <p>(ii) the number or the aggregate number of such shares is not less than five per centum of the aggregate number of the total number of all the voting shares included in that class of shares.</p> <p>(2) A person who has a substantial shareholding in a company is a substantial shareholder in such company.</p> <p>Further, Section 138 of the MCA sets out the requirement for a substantial shareholder to notify the company of any changes to his shareholding interest in the company and Section 139 of the MCA provides that a substantial shareholder ceasing to be a substantial shareholder shall notify the company accordingly.</p>	<p>Section 81(3) of the SCA: For the purposes of this Division, a person who has a substantial shareholding in a company is a substantial shareholder in that company.</p> <p>Section 83(1) of the SCA: Where there is a change in the percentage level of the interest or interests of a substantial shareholder in a company in voting shares in the company, the substantial shareholder must give written notice to the company stating the information specified in subsection (2) within 2 business days after the substantial shareholder becomes aware of such a change.</p> <p>Section 83(2) of the SCA: The information referred to in subsection (1) is —</p> <p>(a) the name and address of the substantial shareholder;</p> <p>(b) the date of the change and the circumstances leading to that change; and</p> <p>(c) such other particulars as may be prescribed.</p> <p>Section 83(3) of the SCA: In subsection (1), “percentage level”, in relation to a substantial shareholder, means the percentage figure ascertained by expressing the total votes attached to all the voting shares in which the substantial shareholder has an interest or interests immediately before or (as the case may be) immediately after the</p>	

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>relevant time as a percentage of the total votes attached to —</p> <p>(a) all the voting shares in the company; or</p> <p>(b) where the share capital of the company is divided into 2 or more classes of shares, all the voting shares included in the class concerned, and, if it is not a whole number, rounding that figure down to the next whole number.</p> <p>Section 84(1) of the SCA: A person who ceases to be a substantial shareholder in a company must give written notice to the company stating the person's name and the date on which the person ceased to be a substantial shareholder and full particulars of the circumstances by reason of which the person ceased to be a substantial shareholder.</p>	
<i>Power to require disclosure of auditors' remuneration</i>		
<p>Section 274(1) of the MCA: The remuneration of an auditor appointed-</p> <p>(a) by the members of a company shall be fixed by the members by ordinary resolution or in such manner as the members may determine;</p> <p>(b) by the Board shall be fixed by the Board and if not so fixed, by the company; or</p> <p>(c) by the Registrar shall be fixed either by the Registrar or the Board and if not so fixed, by the company.</p>	<p>Section 205(16) of the SCA: The fees and expenses of an auditor of a company —</p> <p>(a) in the case of an auditor appointed by the company at a general meeting — must be fixed by the company in general meeting or, if so authorised by the members at the last preceding annual general meeting, by the directors; and</p> <p>(b) in the case of an auditor appointed by the directors or by the Registrar under this section or under section 205AF — may be fixed by the directors or by the Registrar, as the case may be, and, if not so fixed, must be fixed as provided in paragraph (a) as if the auditor had been appointed by the company.</p>	<p>Under both the MCA and SCA, the auditor's remuneration can be fixed by members at a general meeting, the board of directors, or the Registrar.</p> <p>In addition, MCA requires preparation and disclosure of a statement upon request, and presentation at a general meeting for public companies, whereas the SCA requires the same preparation and disclosure, with an additional mandate for public companies to review and report on auditor's independence.</p>

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Section 274(2) of the MCA: In this section, "remuneration" includes sums paid in respect of expenses and payment otherwise than cash.</p> <p>Section 275(1) of the MCA: If a company is served with a notice sent by or on behalf of at least five per centum of the total number of members of the company or the holders in aggregate of not less than five per centum of the company's issued share capital, requiring particulars of all remuneration paid to or receivable by the auditor of the company, a partner, an employer or an employee of the auditor, by or from the company or any subsidiary in respect of services other than auditing services rendered to the company, the company shall forthwith-</p> <p>(a) prepare or cause to be prepared a statement showing particulars of all the remuneration paid to or receivable by the auditor, partner, employer or employee of the auditor and of the services in respect of which the payments have been made for the financial year immediately preceding the service of the notice;</p> <p>(b) forward a copy of the statement to all persons entitled to receive notice of general meetings of the company; and</p>	<p>Section 206(1) of the SCA: If a company is served with a notice sent by or on behalf of —</p> <p>(a) at least 5% of the total number of members of the company; or</p> <p>(b) the holders in aggregate of not less than 5% of the total number of issued shares of the company (excluding treasury shares),</p> <p>requiring particulars of all emoluments paid to or receivable by the auditor of the company or any person who is a partner or employer or employee of the auditor, by or from the company or any subsidiary corporation in respect of services other than auditing services rendered to the company, the company must immediately —</p> <p>(c) prepare or cause to be prepared a statement showing particulars of all emoluments paid to the auditor or other person and of the services in respect of which the payments have been made for the financial year immediately preceding the service of such notice;</p> <p>(d) forward a copy of the statement to all persons entitled to receive notice of general meetings of the company; and</p> <p>(e) lay such statement before the company in general meeting.</p>	

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
(c) in the case of a public company, lay the statement before the company in general meeting.	Section 206(1A): Without affecting subsection (1), a public company must, under prescribed circumstances, undertake a review of the fees, expenses and emoluments of its auditor to determine whether the independence of the auditor has been compromised, and the outcome of the review must be sent to all persons entitled to receive notice of general meetings of the company.	
<i>Powers and duties of auditors as to reports on accounts</i>		
<p>Section 266(1) of the MCA: Every auditor of a company shall report to the members on the financial statements and on the company's accounting and other records relating to those financial statements and if it is a holding company for which consolidated financial statements are prepared shall also report to the members on the consolidated financial statements, and the report shall be-</p> <p>(a) in the case of a public company, laid before the company at its annual general meeting; or</p> <p>(b) in the case of a private company-</p> <p>(i) circulated to its members; or</p> <p>(ii) laid before the company at a meeting of members.</p>	<p>Section 207(1) of the SCA: An auditor of a company must report to the members —</p> <p>(a) on the financial statements required to be laid before the company in general meeting and on the company's accounting and other records relating to those financial statements; and</p> <p>(b) where the company is a parent company for which consolidated financial statements are prepared, on the consolidated financial statements.</p> <p>Section 207(2) of the SCA: An auditor must, in a report under this section, state, among others: —</p> <p>(a) whether the financial statements and, if the company is a parent company for which consolidated financial statements are prepared, the consolidated financial statements are in the auditor's opinion —</p>	<p>Both the MCA and the SCA have similar requirements for auditor reporting which requires the auditor of the company to report to the members at a general meeting for public companies. The MCA specifically provides that in the case of a public company its financial statements shall be laid at the company's AGM.</p> <p>Both the MCA and SCA have similar foundational requirements for auditor reporting.</p>

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS

(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Section 266(3) of the MCA: An auditor of a company shall have a duty to form an opinion to each of the following matters:</p> <ul style="list-style-type: none"> (a) whether he has obtained all the information and explanations that he required; (b) whether proper accounting and other records, including registers, have been kept by the company as required by this Act; (c) whether the returns received from branch offices of the company are adequate; and (d) whether the procedures and methods used by a holding company or a subsidiary in arriving at the amount taken into any consolidated accounts were appropriate to the circumstances of the consolidation, <p>and the auditor shall state in his report the particulars of any deficiency, failure or shortcoming in respect of any matter referred to in this subsection.</p>	<ul style="list-style-type: none"> (i) in compliance with the requirements of the Accounting Standards; and (ii) give a true and fair view of — <ul style="list-style-type: none"> (A) the financial position and performance of the company; and (B) if consolidated financial statements are required, the financial position and performance of the group; <p>Section 207(3) of the SCA: It is the duty of an auditor of a company to form an opinion as to each of the following matters:</p> <ul style="list-style-type: none"> (a) whether the auditor has obtained all the information and explanations that the auditor required; (b) whether proper accounting and other records, excluding registers, required to be kept under section 199(1), have been kept by the company as required by this Act; (c) whether the returns received from branch offices of the company are adequate; (d) [Deleted by Act 36 of 2014] (e) where consolidated financial statements are prepared otherwise than as one set of consolidated financial statements for the group, 	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>whether the auditor agrees with the reasons for preparing them in the form in which they are prepared, as given by the directors in the financial statements,</p> <p>and the auditor must state in the auditor's report particulars of any deficiency, failure or shortcoming in respect of any matter referred to in this subsection.</p>	
<i>Mergers and similar arrangements</i>		
<p>Section 366(1) of the MCA: The Court may, on an application under this Subdivision, order a meeting in a summary way to be summoned in such manner as the Court directs, by either-</p> <p>(a) the company;</p> <p>(b) any creditor or member of the company;</p> <p>(c) the liquidator, if the company is being wound up; or</p> <p>(d) the judicial manager, if the company is under judicial management.</p> <p>Section 366(3) of the MCA: The compromise or arrangement shall be binding on-</p> <p>(a) all the creditors or class of creditors;</p> <p>(b) the members or class of members;</p>	<p>Section 210(1) of the SCA: Where a compromise or an arrangement is proposed between —</p> <p>(a) a company and its creditors or any class of them;</p> <p>(b) a company and its members or any class of them; or</p> <p>(c) a company and holders of units of shares of the company or any class of them,</p> <p>the Court may, on the application in a summary way of any person referred to in subsection (2), order a meeting of the creditors, the members of the company, the holders of units of shares of the company, or a class of such persons, to be summoned in such manner as the Court directs.</p> <p>Section 210(3): A meeting held pursuant to an order made under subsection (1) may be adjourned from</p>	<p>Both the MCA and SCA allows for an application to be made to the Court for the approval of compromise or arrangement by the Court. However, the procedures and applications are specifically provided for when the company undertakes a compromise or arrangement under the MCA and where the company is undergoing a scheme or reconstruction or amalgamation. The specific procedures and powers of the Court in Singapore are set out under the IRDA.</p> <p>Section 215A of the SCA further provides for a voluntary amalgamation process without the need for a court order. Under this voluntary amalgamation process, two or more Singapore incorporated companies may amalgamate and continue as one company, which may be one of the amalgamating companies or a new company, in accordance with the procedures set out in the SCA.</p>

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(c) the company; or</p> <p>(d) the liquidator and contributories, if the company is being wound up,</p> <p>if the compromise or arrangement is agreed by a majority of seventy-five per centum of the total value of the creditors or class of creditors or members or class of members present and voting either in person or by proxy at the meeting or the adjourned meeting and has been approved by order of the Court.</p> <p>Section 366(4) of the MCA: The Court may grant its approval to a compromise or arrangement subject to such alterations or conditions as the Court thinks just.</p> <p>Section 366(5) of the MCA: An order under subsection (3) shall have no effect until an office copy of the order is lodged with the Registrar, and upon being so lodged, the order shall take effect on and from the date of lodgement or such earlier date as the Court may determine and as may be specified in the order.</p> <p>Section 366(6) of the MCA: Subject to subsection (7), a copy of every order made under subsection (3) shall be annexed to every copy of the constitution of the company issued after the order has been made, or in the case of a company not having a constitution, to every copy of the</p>	<p>time to time if the resolution for the adjournment is approved by a majority in number representing three-fourths in value of —</p> <p>(a) the creditors or class of creditors; (b) the members or class of members; or (c) the holders of units of shares or class of holders of units of shares, present and voting either in person or by proxy at the meeting.</p> <p>Section 210(3AA) of the SCA: If the conditions set out in subsection (3AB) are satisfied, a compromise or an arrangement is binding —</p> <p>(a) in the case of a company in the course of being wound up, on the liquidator and contributories of the company, and on all —</p> <p>(i) the creditors or class of creditors; (ii) the members or class of members; or (iii) the holders of units of shares or class of holders of units of shares, as the case may be; or</p> <p>(b) in the case of any other company, on the company and on all —</p> <p>(i) the creditors or class of creditors; (ii) the members or class of members; or</p>	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>instrument issued constituting or defining the constitution of the company.</p> <p>Section 366(7) of the MCA: The Court may, by order, exempt a company from complying with the requirements of subsection (6) or determine the period during which the company shall comply with the requirements.</p> <p>Section 366(8) of the MCA: If any such compromise or arrangement, whether or not for the purposes of or in connection with a scheme for the reconstruction of any company or the amalgamation of any two or more companies, has been proposed, the directors of the company shall—</p> <p>(a) if a meeting of the members of the company by resolution directs, instruct such accountants or advocates or both as are named in the resolution to report on the proposals and forward their report to the directors as soon as practicable; and</p> <p>(b) make the report available at the registered office of the company for inspection by the shareholders and creditors of the company at least seven days before the date of any meeting ordered by the Court to be summoned in accordance with subsection (1).</p> <p>Section 368(1) of the MCA: If no order has been made or resolution passed for the winding up of a company and a compromise or arrangement has been proposed between the company and its creditors or any class of those creditors, the Court</p>	<p>(iii) the holders of units of shares or class of holders of units of shares,</p> <p>as the case may be.</p> <p>Section 210(3AB) of the SCA: The conditions referred to in subsection (3AA) are as follows:</p> <p>(a) unless the Court orders otherwise, a majority in number of —</p> <p>(i) the creditors or class of creditors;</p> <p>(ii) the members or class of members; or</p> <p>(iii) the holders of units of shares or class of holders of units of shares,</p> <p>present and voting either in person or by proxy at the meeting or the adjourned meeting agrees to the compromise or arrangement;</p> <p>(b) the majority in number referred to, or such number as the Court may order, under paragraph (a) represents three-fourths in value of —</p> <p>(i) the creditors or class of creditors;</p> <p>(ii) the members or class of members; or</p> <p>(iii) the holders of units of shares or class of holders of units of shares,</p>	

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>may, in addition to any of its powers, on the application in a summary way of the company or any member or creditor of the company, restrain further proceedings in any action or proceeding against the company except by leave of the Court and subject to any terms as the Court may impose.</p> <p>Section 370(1) of the MCA: This section applies where an application is made to the Court under this Subdivision for the approval of a compromise or arrangement and it is proved to the Court that-</p> <p>(a) the compromise or arrangement has been proposed for the purposes of, or in connection with, a scheme for the reconstruction of any company or the amalgamation of any two or more companies; and</p> <p>(b) under the scheme the whole or any part of the undertaking or the property of any company concerned in the scheme, "transferor company", is to be transferred to another company, "transferee company".</p> <p>Section 370(2) of the MCA: The Court may, either by the order approving the compromise or arrangement or by any subsequent order, make provision for all or any of the following matters:</p> <p>(a) the transfer to the transferee company of the whole or any part of the undertaking and of the property or liabilities of the transferor company;</p> <p>(b) the allotting or appropriation by the transferee company of any shares, debentures, policies</p>	<p>present and voting either in person or by proxy at the meeting or the adjourned meeting, as the case may be;</p> <p>(c) the compromise or arrangement is approved by order of the Court.</p> <p>Section 210(4) of the SCA: The Court may grant its approval to a compromise or arrangement subject to such alterations or conditions as it thinks just.</p> <p>Section 210(10) of the SCA: Where no order has been made or resolution passed for the winding up of a company and any such compromise or arrangement has been proposed between the company and its creditors or any class of such creditors, the Court may, in addition to any of its powers, on the application in a summary way of the company or of any member, creditor or holder of units of shares of the company restrain further proceedings in any action or proceeding against the company except by permission of the Court and subject to such terms as the Court imposes.</p> <p>Section 212(1) of the SCA: Where an application is made to the Court under this Part or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 for the approval of a compromise or arrangement and it is shown to the Court that the compromise or arrangement has been proposed for the purposes of or in connection with a scheme for the reconstruction of any company or companies or the amalgamation of any 2 or more companies, and</p>	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>or other similar interests in that company which under the compromise or arrangement are to be allotted or appropriated by that company to or for any person;</p> <p>(c) the continuation by or against the transferee company of any legal proceedings pending by or against the transferor company;</p> <p>(d) the dissolution without winding up of the transferor company;</p> <p>(e) the provision to be made for any persons who, within such time and in such manner as the Court directs, dissent from the compromise or arrangement; and</p> <p>(f) such incidental, consequential and supplemental matters as are necessary to secure that the reconstruction or amalgamation shall be fully and effectively carried out.</p> <p>Section 371(1) of the MCA: If a scheme or contract involving the transfer of all the shares or all the shares in any particular class in a transferor company, to a “transferee company”, whose transfer involve the holders of not less than ninety per centum of the nominal value shares or of the shares of that class, other than shares already held at the date of the offer by, or by a nominee for, the transferee company or its subsidiary, have been approved, the transferor company on behalf of the transferee company has within four months to make offer to buy out the share.</p>	<p>that under the scheme the whole or any part of the undertaking or the property of any company concerned in the scheme (called in this section the transferor company) is to be transferred to another company (called in this section the transferee company), the Court may either by the order approving the compromise or arrangement or by any subsequent order provide for all or any of the following matters:</p> <p>(a) the transfer to the transferee company of the whole or any part of the undertaking and of the property or liabilities of the transferor company;</p> <p>(b) the allotting or appropriation by the transferee company of any shares, debentures, policies or other like interests in that company which under the compromise or arrangement are to be allotted or appropriated by that company to or for any person;</p> <p>(c) the continuation by or against the transferee company of any legal proceedings pending by or against the transferor company;</p> <p>(d) the dissolution, without winding up, of the transferor company;</p> <p>(e) the provision to be made for any persons who, within such time and in such manner as the Court directs, dissent from the compromise or arrangement;</p> <p>(f) such incidental, consequential and supplemental matters as are necessary to secure that the reconstruction or amalgamation is fully and effectively carried out.</p>	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Section 371(6) of the MCA: If, under any such scheme or contract, shares in a company are transferred to another company or its nominee and those shares together with any other shares in the transferor company held by, or by a nominee for, the transferee company or its subsidiary at the date of the transfer, comprise or include ninety per centum of the shares in the transferor company or any class of those shares, then-</p> <p>(a) the transferee company shall give notice of that fact in the form and manner as determined by the Registrar to the remaining shareholder or the remaining shares of that class who have not assented to the scheme or contract, within one month from the date of the transfer unless on a previous transfer under the scheme or contract, the transferee company has complied with this requirement; and</p> <p>(b) any shareholder may require the transferee company to acquire the shares in question within three months from the giving of the notice to him,</p> <p>and if a shareholder gives notice under paragraph (b) with respect to any shares, the transferee company shall be entitled and bound to acquire those shares on the terms on which under the scheme or contract the shares of the approving shareholders were transferred to the transferee company, or on such other terms as are agreed or as the Court thinks fit to order, on the application of either the transferee company or the shareholder.</p>	<p>Section 215(1) of the SCA: Where a scheme or contract involving the transfer of all of the shares or all of the shares in any particular class in a company (called in this section the transferor company) to a person (called in this section the transferee) has, within 4 months after the making of the offer in that behalf by the transferee, been approved as to the shares or as to each class of shares whose transfer is involved by the holders of not less than 90% of the total number of those shares (excluding treasury shares) or of the shares of that class (other than shares already held at the date of the offer by the transferee, and excluding any shares in the transferor company held as treasury shares), the transferee may at any time within 2 months, after the offer has been so approved, give notice in the prescribed manner to any dissenting shareholder that it desires to acquire the dissenting shareholder's shares; and when such a notice is given the transferee is, unless on an application made by the dissenting shareholder within one month from the date on which the notice was given or within 14 days of a statement being supplied to a dissenting shareholder pursuant to subsection (2) (whichever is the later) the Court thinks fit to order otherwise, entitled and bound to acquire those shares on the terms which, under the scheme or contract the shares of the approving shareholders are to be transferred to the transferee or if the offer contained 2 or more alternative sets of terms upon the terms which were specified in the offer as being applicable to dissenting shareholders.</p>	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	Section 215A of the SCA: Without affecting section 212 and any other law relating to the merger or amalgamation of companies, 2 or more companies may amalgamate and continue as one company, which may be one of the amalgamating companies or a new company, in accordance with sections 215B to 215G, where applicable.	
<i>Shareholders' suits and protection of minority shareholders</i>		
<p>Section 346(1) of the MCA: Any member or debenture holder of a company may apply to the Court for an order under this section on the ground—</p> <p>(a) that the affairs of the company are being conducted or the powers of the directors are being exercised in a manner oppressive to one or more of the members or debenture holders including himself or in disregard of his or their interests as members, shareholders or debenture holders of the company; or</p> <p>(b) that some act of the company has been done or is threatened or that some resolution of the members, debenture holders or any class of them has been passed or is proposed which unfairly discriminates against or is otherwise prejudicial to one or more of the members or debenture holders, including himself.</p> <p>Section 346(2) of the MCA: If on such application the Court is of the opinion that either of those</p>	<p>Section 216(1) of the SCA: Any member or holder of a debenture of a company or, in the case of a declared company under Part 9, the Minister, may apply to the Court for an order under this section on the ground —</p> <p>(a) that the affairs of the company are being conducted or the powers of the directors are being exercised in a manner oppressive to one or more of the members or holders of debentures including the applicant or in disregard of his, her or their interests as members, shareholders or holders of debentures of the company; or</p> <p>(b) that some act of the company has been done or is threatened or that some resolution of the members, holders of debentures or any class of them has been passed or is proposed which unfairly discriminates against or is otherwise prejudicial to one or more of the members or holders of debentures (including the applicant).</p>	Both MCA and SCA provide grounds for applying to the Court based on oppressive conduct or unfair discrimination. The provisions are similar in scope and application.

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>grounds is established, the Court may make such order as the Court thinks fit with the view to bringing to an end or remedying the matters complained of, and without prejudice to the generality of subsection (1), the order may-</p> <p>(a) direct or prohibit any act or cancel or vary any transaction or resolution;</p> <p>(b) regulate the conduct of the affairs of the company in the future;</p> <p>(c) provide for the purchase of the shares or debentures of the company by other members or debenture holders of the company or by the company itself;</p> <p>(d) in the case of a purchase of shares by the company, provide for a reduction accordingly of capital of the company; or</p> <p>(e) provide that the company be wound up.</p> <p>Section 347(1) of the MCA: A complainant may, with the leave of the Court initiate, intervene in or defend a proceeding on behalf of the company.</p> <p><u>Leave of court and leave to discontinue, compromise or settle proceedings</u></p> <p>Section 348(2) of the MCA: The complainant shall give thirty days' notice in writing to the directors of his intention to apply for the leave of Court under section 347.</p> <p>Section 348(3) of the MCA: Where leave has been granted for an application under section 347, the</p>	<p>Section 216(2) of the SCA: If on such application the Court is of the opinion that either of such grounds is established the Court may, with a view to bringing to an end or remedying the matters complained of, make such order as it thinks fit and, without limiting the foregoing, the order may —</p> <p>(a) direct or prohibit any act or cancel or vary any transaction or resolution;</p> <p>(b) regulate the conduct of the affairs of the company in future;</p> <p>(c) authorise civil proceedings to be brought in the name of or on behalf of the company by such person or persons and on such terms as the Court may direct;</p> <p>(d) provide for the purchase of the shares or debentures of the company by other members or holders of debentures of the company or by the company itself;</p> <p>(e) in the case of a purchase of shares by the company provide for a reduction accordingly of the company's capital; or</p> <p>(f) provide that the company be wound up.</p> <p>Section 216A(2) of the SCA: Subject to subsection (3), a complainant may apply to the Court for permission to bring an action or arbitration in the name and on behalf of the company or intervene in</p>	

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>complainant shall initiate proceedings in Court within thirty days from the grant of leave.</p> <p>Section 348(5) of the MCA: Any proceedings brought, intervened in or defended under this section shall not be discontinued, compromised or settled except with the leave of the Court.</p> <p><u>Effect of ratification</u></p> <p>Section 349 of the MCA: If members of a company, ratify or approve the conduct of the subject matter of the action-</p> <p>(a) the ratification or approval does not prevent any person from bringing, intervening in or defending proceedings with the leave of the Court;</p> <p>(b) the application for leave or action brought or intervened in shall not be stayed or dismissed by reason only of the ratification or approval; and</p> <p>(c) the Court may take into account the ratification or approval in determining what order to make.</p>	<p>an action or arbitration to which the company is a party for the purpose of prosecuting, defending or discontinuing the action or arbitration on behalf of the company.</p> <p>Section 216A(1) of the SCA: In this section and section 216B, "complainant" means —</p> <p>(a) any member of a company;</p> <p>(b) the Minister, in the case of a declared company under Part 9; or</p> <p>(c) any other person who, in the discretion of the Court, is a proper person to make an application under this section.</p> <p>Section 216A(3) of the SCA: No action or arbitration may be brought and no intervention in an action or arbitration may be made under subsection (2) unless the Court is satisfied that —</p> <p>(a) the complainant has given 14 days' notice to the directors of the company of the complainant's intention to apply to the Court under subsection (2) if the directors of the company do not bring, diligently prosecute or defend or discontinue the action or arbitration;</p> <p>(b) the complainant is acting in good faith; and</p> <p>(c) it appears to be prima facie in the interests of the company that the action or arbitration be brought, prosecuted, defended or discontinued.</p>	

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
7. CHANGES IN CAPITAL		
<i>Power of directors to allot and issue shares</i>		
<p>Section 75(1) of the MCA: Unless the prior approval by way of resolution by the company has been obtained, the directors of a company shall not exercise any power-</p> <p>(a) to allot shares in the company;</p> <p>(b) to grant rights to subscribe for shares in the company;</p> <p>(c) to convert any security into shares in the company; or</p> <p>(d) to allot shares under an agreement or option or offer.</p> <p>Section 75(2) of the MCA: Subsection (1) shall not apply to-</p> <p>(a) an allotment of shares, or grant of rights, under an offer made to the members of the company in proportion to the members' shareholdings;</p> <p>(b) an allotment of shares, or grant of rights, on a bonus issue of shares to the members of the company in proportion to the members' shareholdings;</p>	<p>Section 161(1) of the SCA: Despite anything in a company's constitution, the directors must not, without the prior approval of the company in general meeting, exercise any power of the company to issue shares.</p> <p>Section 161(2) of the SCA: Approval for the purposes of this section may be confined to a particular exercise of that power or may apply to the exercise of that power generally; and any such approval may be unconditional or subject to conditions.</p> <p>Section 161(3) of the SCA: Any approval for the purposes of this section continues in force until —</p> <p>(a) the conclusion of the annual general meeting commencing next after the date on which the approval was given; or</p> <p>(b) the expiration of the period within which the next annual general meeting after that date is required by law to be held,</p> <p>whichever is the earlier; but any approval may be previously revoked or varied by the company in general meeting.</p> <p>Section 161(4) of the SCA: The directors may issue shares even though an approval for the purposes of this section has ceased to be in force if the shares are issued pursuant to an offer, agreement or option</p>	<p>Both the MCA and SCA set clear requirements for directors to obtain prior approval from the company's members before issuing and allotting shares. Under the MCA, there are exemptions when shareholders' approval is not required which include proportionate allotments to members, bonus issues, allotments to promoters, and shares issued as consideration with prior notification. Pursuant to the SCA, directors may continue to issue shares after the approval has expired if the issuance was under an offer, agreement, or option granted while the approval was in force.</p> <p>Both the MCA and the SCA explicitly mandate that shareholder approvals be lodged with the Registrar within 14 days. The limitation period for legal proceedings to recover losses arising from a contravention differs, with the MCA allowing a three-year timeframe, while the SCA prescribes a shorter two-year period. Despite this difference, both frameworks share a fundamental principle of ensuring shareholder oversight in share issuances while permitting continuity for issuances previously approved.</p> <p>The SCA does not, in comparison to the similar provision in the MCA, materially prejudice the right of any affected party to initiate proceedings to recover any loss, damages or costs arising from any</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(c) an allotment of shares to a promoter of a company that the promoter has agreed to take; or</p> <p>(d) shares which are to be issued as consideration or part consideration for the acquisition of shares or assets by the company and members of the company have been notified of the intention to issue the shares at least fourteen days before the date of issue of the shares.</p> <p>Section 75(4) of the MCA: Any issue of shares made by a company in contravention of this section shall be void and consideration given for the shares shall be recoverable accordingly.</p> <p>Section 75(5) of the MCA: Any director who knowingly contravenes, or permits or authorizes the contravention of, or fails to take all reasonable steps to prevent the contravention of this section with respect to any issue of shares commits an offence and shall be liable to compensate the company and the person to whom the shares were issued for any loss, damages or costs which the company or that person may have sustained or incurred.</p> <p>Section 75(6) of the MCA: Notwithstanding the Limitation Act 1953 [Act 254], no proceedings to recover any such loss, damages or costs shall be commenced after the expiration of three years from the date of the issue.</p>	<p>made or granted by them while the approval was in force and they were authorised by the approval to make or grant an offer, agreement or option which would or might require shares to be issued after the expiration of the approval.</p> <p>Section 161(5) of the SCA: Section 186 applies to any resolution whereby an approval is given for the purposes of this section.</p> <p>Section 161(6) of the SCA: Any issue of shares made by a company in contravention of this section is void and consideration given for the shares is recoverable accordingly.</p> <p>Section 161(7) of the SCA: Any director who knowingly contravenes, or permits or authorises the contravention of, this section with respect to any issue of shares shall be liable to compensate the company and the person to whom the shares were issued for any loss, damages or costs which the company or that person may have sustained or incurred thereby; but no proceedings to recover any such loss, damages or costs may be commenced after the expiration of 2 years from the date of the issue.</p> <p>Section 186(1) of the SCA: A copy of:</p> <p>(a) every special resolution; and</p> <p>(b) every resolution, including any resolution passed under Section 175A(1)(a) of the SCA, which effectively binds any class of</p>	<p>contravention in respect of issuance of shares in view that such right are similarly accorded in both the MCA and SCA albeit the shorter limitation period for legal proceedings of two years prescribed under the SCA which is not unreasonably short as compared to three years as prescribed under the MCA.</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Section 76(1) of the MCA: For the purposes of subsection 75(1), approval may be confined to a particular exercise of that power or may apply to the exercise of that power generally and any such approval may be unconditional or subject to conditions.</p> <p>Section 76(2) of the MCA: An approval made under subsection (1) shall be lodged with the Registrar within fourteen days from the date of the approval.</p> <p>Section 76(3) of the MCA: An approval expires—</p> <p>(a) in the case where a company is required to hold an annual general meeting—</p> <p>(i) at the conclusion of the annual general meeting held next after the approval was given; or</p> <p>(ii) at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is the earlier; or</p> <p>(b) in the case where the company is not required to hold an annual general meeting, not more than twelve months after the approval was given.</p> <p>Section 76(4) of the MCA: Notwithstanding subsection (3), an approval may be revoked or varied at any time by a resolution of the company.</p>	<p>shareholders whether agreed to by all the members of that class or not, must, except where otherwise expressly provided by the SCA within 14 days after the passing or making thereof, be lodged by the company with the Registrar.</p>	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Section 76(5) of the MCA: The directors may allot shares or grant rights after an approval has expired if—</p> <p>(a) the shares are allotted, or the rights are granted, under an agreement, option or offer made or granted by the company before the approval expires; and</p> <p>(b) the approval allowed the company to make or grant an agreement, option or offer that would or might require shares to be allotted, or rights to be granted, after the approval expires.</p>		
<i>Power of the company to purchase its own shares</i>		
<p>Section 127(1) of the MCA: Notwithstanding section 123, a company whose shares are quoted on a stock exchange may purchase its own shares if so authorized by its constitution.</p> <p>Section 127(2) of the MCA: A company shall not purchase its own shares unless-</p> <p>(a) the company is solvent at the date of the purchase and will not become insolvent by incurring the debts involved in the obligation to pay for the shares so purchased;</p> <p>(b) the purchase is made through the stock exchange on which the shares of the company are quoted and in accordance with the relevant rules of the stock exchange; and</p>	<p>Section 76B(1) of the SCA: Despite section 76, a company may, in accordance with this section and sections 76C to 76G, purchase or otherwise acquire shares issued by it if it is expressly permitted to do so by its constitution.</p> <p>Section 76B(3) of the SCA: The total number of ordinary shares and stocks in any class that may be purchased or acquired by a company during the relevant period must not exceed 20% (or such other percentage as the Minister may by notification prescribe) of the total number of ordinary shares and stocks of the company in that class ascertained as at the date of any resolution passed pursuant to section 76C, 76D, 76DA or 76E unless —</p>	<p>Both the MCA and SCA allow the company to purchase its own share shares if authorised by its constitution and provided that the company is solvent at the time of purchase.</p> <p>Both the MCA and SCA allow the directors to cancel, retain as treasury shares, or use them for various purposes, including dividends, resale, employee schemes, and more.</p> <p>Under the MCA, directors are allowed to distribute treasury shares as share dividends, which is not provided for under the SCA. For the use of share schemes, the SCA allows directors to transfer treasury shares to a broader group, including employees, directors, or other persons, while the MCA restricts the transfer to employees only. The SCA also permits directors to transfer treasury</p>

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(c) the purchase is made in good faith and in the interests of the company.</p> <p>Section 127(3) of the MCA: Notwithstanding paragraph (2)(b), a company may purchase its own shares otherwise than through a stock exchange if the purchase is—</p> <p>(a) permitted under the relevant rules of the stock exchange; and</p> <p>(b) made in accordance with such requirements as may be determined by the stock exchange.</p> <p>Section 127(4) of the MCA: Where a company has purchased its own shares, the directors of the company may resolve-</p> <p>(a) to cancel the shares so purchased;</p> <p>(b) to retain the shares so purchased in treasury which is referred to as "treasury shares" in this Act; or</p> <p>(c) to retain part of the shares so purchased as treasury shares and cancel the remainder of the shares.</p> <p>Section 127(5) of the MCA: Shares that are purchased by a company under this section, unless held in treasury, shall be deemed to be cancelled immediately on purchase.</p>	<p>(a) the company has, at any time during the relevant period, reduced its share capital by a special resolution under section 78B or 78C; or</p> <p>(b) the Court has, at any time during the relevant period, made an order under section 78I approving the reduction of share capital of the company.</p> <p>Section 76B(5) of the SCA: Ordinary shares that are purchased or acquired by a company pursuant to section 76C, 76D, 76DA or 76E are, unless held in treasury in accordance with section 76H, deemed to be cancelled immediately on purchase or acquisition.</p> <p>Section 76C(1) of the SCA: A company, whether or not it is listed on an approved exchange in Singapore or any securities exchange outside Singapore, may make a purchase or acquisition of its own shares otherwise than on an approved exchange in Singapore or any securities exchange outside Singapore (called in this section an off-market purchase) if the purchase or acquisition is made in accordance with an equal access scheme authorised in advance by the company in general meeting.</p> <p>Section 76C(6) of the SCA: For the purposes of this section and sections 76D and 76DA, an "equal access scheme" means a scheme which satisfies all the following conditions:</p>	<p>shares as consideration for the acquisition of shares or assets of another company, or the assets of a person, whereas the MCA only allows directors to transfer treasury shares as "purchase consideration" without specifying whether the acquisition is for shares, assets of another company, or other persons, making it somewhat more general.</p> <p>In both jurisdictions, treasury shares do not confer voting rights or rights to dividends or other distribution.</p>

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Section 127(7) of the MCA: Where such shares are held as treasury shares, the directors of the company may-</p> <ul style="list-style-type: none"> (a) distribute the shares as dividends to shareholders, such dividends to be known as "share dividends"; (b) resell the shares or any of the shares in accordance with the relevant rules of the stock exchange; (c) transfer the shares, or any of the shares for the purposes of or under an employees' share scheme; (d) transfer the shares, or any of the shares as purchase consideration; (e) cancel the shares or any of the shares; or (f) sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe. <p>Section 127(8) of the MCA: The holder of treasury shares which are held under subsection (5) shall not confer-</p> <ul style="list-style-type: none"> (a) the right to attend or vote at meetings and any purported exercise of such rights is void; and 	<ul style="list-style-type: none"> (a) the offers under the scheme are to be made to every person who holds shares to purchase or acquire the same percentage of their shares; (b) all of those persons have a reasonable opportunity to accept the offers made to them; (c) the terms of all the offers are the same except that there must be disregarded — <ul style="list-style-type: none"> (i) differences in consideration attributable to the fact that the offers relate to shares with different accrued dividend entitlements; (ii) differences in consideration attributable to the fact that the offers relate to shares with different amounts remaining unpaid; and (iii) differences in the offers introduced solely to ensure that each member is left with a whole number of shares. <p>Section 76D(1) of the SCA: A company may make a purchase or acquisition of its own shares otherwise than on a securities exchange and not in accordance with an equal access scheme (called in this section a selective off-market purchase) if the purchase or acquisition is made in accordance with an agreement authorised in advance under subsection (2).</p>	

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(b) the right to receive dividends or other distribution, whether cash or otherwise, of the company's assets including any distribution of assets upon winding up of the company.</p> <p>Section 127(11) of the MCA: This section shall not be taken to prevent-</p> <p>(a) an allotment of shares as fully paid bonus shares in respect of the treasury shares; or</p> <p>(b) the subdivision of any treasury shares into treasury shares of a larger number, or consolidation of any treasury shares into treasury shares of a smaller number.</p>	<p>Section 76D(2) of the SCA: The terms of the agreement for a selective off-market purchase must be authorised by a special resolution of the company, with no votes being cast by any person whose shares are proposed to be purchased or acquired or by the person's associated persons, and subsections (3) to (13) apply with respect to that authority and to resolutions conferring it.</p> <p>Section 76E(1) of the SCA: A company must not make a purchase or acquisition of its own shares on a securities exchange (called in this section a market purchase) unless the purchase or acquisition has been authorised in advance by the company in general meeting.</p> <p>Section 76F(1) of the SCA: A payment made by a company in consideration of —</p> <p>(a) acquiring any right with respect to the purchase or acquisition of its own shares in accordance with section 76C, 76D, 76DA or 76E;</p> <p>(b) the variation of an agreement approved under section 76D or 76DA; or</p> <p>(c) the release of any of the company's obligations with respect to the purchase or acquisition of any of its own shares under an agreement approved under section 76D or 76DA,</p> <p>may be made out of the company's capital or profits so long as the company is solvent.</p> <p>Section 76H(1) of the SCA: Where ordinary shares or stocks are purchased or otherwise acquired by a</p>	

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>company in accordance with sections 76B to 76G, the company may —</p> <p>(a) hold the shares or stocks (or any of them); or</p> <p>(b) deal with any of them, at any time, in accordance with section 76K.</p> <p>S76H(2): Where ordinary shares or stocks are held under subsection (1)(a) then, for the purposes of section 190 (Register and index of members) and section 196A (Electronic register of members), the company must be entered in the register as the member holding those shares or stocks.</p> <p>S76J(2): The company must not exercise any right in respect of the treasury shares and any purported exercise of such a right is void.</p> <p>S76J(3): The rights to which subsection (2) applies include any right to attend or vote at meetings (including meetings under Section 210 of the SCA) and for the purposes of the SCA, the company is to be treated as having no right to vote and the treasury shares are to be treated as having no voting rights.</p> <p>S76J(4): No dividend may be paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made, to the company in respect of the treasury shares.</p> <p>S76J(5): Nothing in this section is to be taken as preventing:</p>	

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	<p>(a) an allotment of shares as fully paid bonus shares in respect of the treasury shares; or</p> <p>(b) the subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number, if the total value of the treasury shares after the subdivision or consolidation is the same as the total value of the treasury share before the subdivision or consolidation, as the case may be.</p> <p>S76K(1): Where shares are held by a public company as treasury shares, the company may at any time-</p> <p>(a) sell the shares (or any of them) for cash;</p> <p>(b) transfer the shares (or any of them) for the purposes of or pursuant to any share scheme, whether for its employees, directors or other persons;</p> <p>(c) transfer the shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;</p> <p>(d) cancel the shares (or any of them); or</p> <p>(e) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister may by order prescribe.</p>	
<i>Power for any subsidiary of the company to own shares in its parent company</i>		
Section 22(1) of the MCA: A corporation shall not be a member of a company which is its holding company and any allotment or transfer of shares in a holding company to its subsidiary shall be void.	Section 21(1) of the SCA: A corporation cannot be a member of a company which is its holding company, and any allotment or transfer of shares in a company to its subsidiary is void.	Both the MCA and the SCA share similar terms regarding the prohibition of subsidiaries holding shares in their holding companies with similar exceptions for trustees and personal

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<p>Section 22(2) of the MCA: Subsection (1) shall not apply where the subsidiary concerned is a personal representative or a trustee, unless the holding company or its subsidiary is beneficially interested under the trust.</p> <p>Section 22(3) of the MCA: For the purposes of subsection (2) and in determining if a holding company or a subsidiary is interested, any interest held by way of security for the purposes of a transaction entered into by the holding company or a subsidiary in the ordinary course of a business which includes the lending of money shall be disregarded.</p> <p>Section 22(4) of the MCA: This section shall not prevent a subsidiary from continuing to be a member if, at the time it becomes a subsidiary, it already holds shares in the holding company.</p> <p>Section 22(5) of the MCA: For the purposes of subsection (4), a subsidiary-</p> <p>(a) shall have no right to vote at meetings of the holding company or any class of members of the holding company; and</p> <p>(b) shall, in the case of a subsidiary referred to in subsection (4), dispose of all of its shares in the holding company within twelve months after becoming a subsidiary or such longer period as the Registrar may allow.</p>	<p>Section 21(2) of the SCA: Subsection (1) does not apply where the subsidiary is concerned as personal representative, or where it is concerned as trustee, unless the holding company or a subsidiary thereof is beneficially interested under the trust and is not so interested only by way of security for the purposes of a transaction entered into by it in the ordinary course of a business which includes the lending of money.</p> <p>Section 21(4) of the SCA: This section does not prevent a subsidiary from continuing to be a member of its holding company if, at the time when it becomes a subsidiary of the holding company, it already holds shares in that holding company, but —</p> <p>(a) subject to subsection (2), the subsidiary has no right to vote at meetings of the holding company or any class of members thereof; and</p> <p>(b) subject to subsections (4A) and (4B), the subsidiary must, within the period of 12 months or such longer period as the Court may allow after becoming the subsidiary of its holding company, dispose of all of its shares in the holding company.</p> <p>Section 21(6) of the SCA: This section does not operate to prevent the allotment of shares in a holding company to a subsidiary which already lawfully holds shares in the holding company if the allotment is made by way of capitalisation of</p>	<p>representatives. Each jurisdiction allows the continued holding of shares by an entity if such shares were held before becoming a subsidiary, with requirements to dispose of shares within a set period.</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Section 22(6) of the MCA: Subject to subsection (2), subsections (1), (4) and (5) shall apply in relation to a nominee for a corporation which is a subsidiary as if references in those subsections to such a corporation include references to a nominee for it.</p> <p>Section 22(7) of the MCA: This section shall not operate to prevent the allotment of shares in a holding company to a subsidiary which already lawfully holds shares in the holding company if-</p> <p>(a) the allotment is made by way of capitalization of reserves of the holding company; and</p> <p>(b) the allotment is made to all members of the holding company on a basis which is in direct proportion to the number of shares held by each member in the holding company.</p> <p>Section 22(8) of the MCA: Where, due to the operation of this section, a subsidiary is prevented from subscribing shares in the holding company which the subsidiary is entitled to subscribe, the holding company may, on behalf of the subsidiary, sell those shares.</p> <p>Section 22(9) of the MCA: In relation to a holding company that is either a company limited by guarantee or an unlimited company, the reference in this section to shares, whether or not it has a share capital, shall be construed as including a reference to the interest of its members in whatever form.</p>	<p>reserves of the holding company and is made to all members of the holding company on a basis which is in direct proportion to the number of shares held by each member in the holding company.</p> <p>Section 21(6A) of the SCA: This section does not operate to prevent the transfer of shares in a holding company to a subsidiary by way of a distribution in specie, amalgamation or scheme of arrangement but —</p> <p>(a) subject to subsection (2), the subsidiary has no right to vote at meetings of the holding company or any class of members thereof; and</p> <p>(b) subject to subsections (6B) and (6C), the subsidiary must, within the period of 12 months or such longer period as the Court may allow after the transfer to the subsidiary of the shares in the holding company, dispose of all of the shares in the holding company.</p> <p>Section 21(7) of the SCA: Where but for this section a subsidiary would have been entitled to subscribe for shares in the holding company, the holding company may, on behalf of the subsidiary, sell the shares for which the subsidiary would otherwise have been entitled to subscribe.</p> <p>Section 21(8) of the SCA: In relation to a holding company that is a company limited by guarantee, the reference in this section to shares is to be read as including a reference to the interest of its</p>	

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	members as such, whatever the form of that interest.	
<i>Redeemable preference shares</i>		
<p>Section 72(1) of the MCA: Subject to its constitution, a company having a share capital may issue preference shares.</p> <p>Section 72(2) of the MCA: Subject to this section and if authorized by its constitution, a company may issue preference shares which are liable, or at the option of the company are to be liable, to be redeemed in accordance with the constitution.</p> <p>Section 72(3) of the MCA: The redemption of the preference shares shall not be taken as reducing the amount of share capital of the company.</p> <p>Section 72(4) of the MCA: The shares shall be redeemable only if the shares are fully paid up and the redemption shall be out of—</p> <ol style="list-style-type: none"> profits; a fresh issue of shares; or capital of the company. <p>Section 72(5) of the MCA: Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred into the share capital accounts of the company, a sum equal to the amount of the shares redeemed.</p>	<p>Section 70(1) of the SCA: Subject to this section, a company having a share capital may, if so authorised by its constitution, issue preference shares which are, or at the option of the company are to be, liable to be redeemed and the redemption may be effected only on such terms and in such manner as is provided by the constitution.</p> <p>Section 70(3) of the SCA: The shares must not be redeemed unless they are fully paid up.</p> <p>Section 70(4) of the SCA: The shares must not be redeemed out of the capital of the company unless —</p> <ol style="list-style-type: none"> all the directors have made a solvency statement in relation to such redemption; and the company has lodged a copy of the statement with the Registrar. <p>Section 70(5) of the SCA: To avoid doubt, shares redeemed out of proceeds of a fresh issue of shares issued for the purpose of redemption are not to be treated as having been redeemed out of the capital of the company.</p>	<p>Both the MCA and the SCA contain provisions relating to issuance and redemption of redeemable preference shares in accordance with the company's constitution. The terms for redemption for the MCA and the SCA are similar with both jurisdictions requiring solvency statements for the redemption of redeemable preference shares out of capital.</p>

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Section 72(6) of the MCA: The redemption of shares out of the capital referred to in paragraph (4)(c) shall only be redeemed subject to the following:</p> <p>(a) all the directors have made a solvency statement under section 113 in relation to such redemption; and</p> <p>(b) the company has lodged a copy of the solvency statement with the Registrar.</p>		
<i>Power of company to alter its share capital</i>		
<p>Section 84(1) of the MCA: Unless otherwise provided in the constitution, a company may alter its share capital in any one or more of the following ways by passing a special resolution to—</p> <p>(a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;</p> <p>(b) convert all or any of its paid-up shares into stock and may reconvert that stock into paid-up shares; or</p> <p>(c) subdivide its shares or any of the shares, whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall</p>	<p>Section 71(1) of the SCA: Subject to subsections (1B) and (1C), a company, if so authorised by its constitution, may in general meeting alter its share capital in any one or more of the following ways:</p> <p>(a) [Deleted by Act 21 of 2005]</p> <p>(b) consolidate and divide all or any of its share capital;</p> <p>(c) convert all or any of its paid-up shares into stock and reconvert that stock into paid-up shares;</p> <p>(d) subdivide its shares or any of them, so however that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share is the same as it was in the case of the share from which the reduced share is derived;</p>	<p>Both the MCA and SCA have similar provisions that allow a company to alter its share capital by way of, amongst others, consolidating and dividing its share capital and subdividing its shares. The SCA further allows for the cancelling of shares which at the date of passing of the resolution in that behalf have not been taken by any person, or forfeited shares, and reducing share capital accordingly.</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
be the same as it was in the case of the share from which the subdivided share is derived.	(e) cancel the number of shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the number of the shares so cancelled.	
<i>Reduction of capital</i>		
<p>Section 115 of the MCA: Unless otherwise provided in the constitution, a company may reduce its share capital by-</p> <p>(a) a special resolution and confirmation by the Court in accordance with section 116; or</p> <p>(b) a special resolution supported by a solvency statement in accordance with section 117</p> <p>Section 116(1) of the MCA: Subject to confirmation by the Court, a company may, by a special resolution, reduce the share capital of the company in any way which includes all or any of the following:</p> <p>(a) by extinguishing or reducing the liability on any of the shares of the company in respect of unpaid share capital;</p> <p>(b) by cancelling any paid-up share capital which is lost or unrepresented by available assets;</p>	<p>Section 78A(1) of the SCA: A company may reduce its share capital under the provisions of this Division in any way and, in particular, do all or any of the following:</p> <p>(a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up;</p> <p>(b) cancel any paid-up share capital which is lost or unrepresented by available assets;</p> <p>(c) return to shareholders any paid-up share capital which is more than it needs.</p> <p>Section 78A(2) of the SCA: A company may not reduce its share capital in any way except by a procedure provided for it by the provisions of this Division.</p> <p>Section 78A(3) of the SCA: A company's constitution may exclude or restrict any power to reduce share capital conferred on the company by this Division.</p>	<p>The MCA and the SCA have provisions on the reduction of share capital. There is a need for either (a) a special resolution and a confirmation (in the case of the MCA) or approval (in the case of the SCA) from the court, or (b) special resolution and a solvency statement in relation to the reduction of share capital, each in accordance with the relevant provisions of the MCA or the SCA as the case may be.</p> <p>In addition, under both MCA and SCA, if the reduction of share capital is to be done by way of a special resolution and a solvency statement for reduction, any creditor of the company who, at the date of the creditor's application to the Court, is entitled to any debt or claim which, if that date were the commencement of the winding up of the company, would be admissible in proof against the company, may at any time during the six (6) weeks beginning with the resolution date, apply to the court for the resolution to be cancelled.</p>

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(c) by returning to the shareholders any paid-up share capital which in excess of the needs of the company.</p> <p>Section 116(2) of the MCA: Where the proposed reduction of share capital involves either diminution of liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital, and in any other case if directed by the Court—</p> <p>(a) every creditor of the company who, at the date fixed by the Court, is entitled to any debt or claim which would be admissible in proof against the company as if that date were the date of the commencement of the winding up of the company shall be entitled to object to the reduction of the share capital;</p> <p>(b) the Court shall settle a list of creditors who are entitled to object, unless the Court is satisfied on affidavit that there are no such creditors shall ascertain as far as possible without requiring an application from any creditor the names, the nature and the amount of debts or claims of those creditors, and may publish notices fixing a final day on or before which creditors not entered in the list may claim to be so entered; and</p> <p>(c) where a creditor entered in the list whose debt or claim is not discharged or has not been determined does not consent to the</p>	<p>Section 78C(1) of the SCA: A public company may reduce its share capital in any way by a special resolution if the company —</p> <p>(a) [Deleted by Act 36 of 2014]</p> <p>(b) meets the solvency requirements; and</p> <p>(c) meets such publicity requirements as may be prescribed by the Minister,</p> <p>but the resolution and the reduction of the share capital take effect only as provided by section 78E.</p> <p>Section 78C(2) of the SCA: Despite subsection (1), the company need not meet the solvency requirements if the reduction of share capital does not involve any of the following:</p> <p>(a) a reduction or distribution of cash or other assets by the company;</p> <p>(b) a release of any liability owed to the company.</p> <p>Section 78C(3) of the SCA: For the purposes of subsection (1), the company meets the solvency requirements if —</p> <p>(a) all the directors of the company make a solvency statement in relation to the reduction of capital; and</p> <p>(b) the statement is made —</p>	<p>Both MCA and SCA provide for the cancellation of paid-up capital lost or unrepresented by available assets.</p>

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>reduction, the Court may dispense with the consent of that creditor on the company securing payment of his debt or claim by appropriating as the Court directs—</p> <p>(i) if the company admits the full amount of the debt or claim or though not admitting it is willing to provide for it, the full amount of the debt or claim; or</p> <p>(ii) if the company does not admit and is not willing to provide for the full amount of the debt or claim or if the amount is contingent or not ascertained, an amount fixed by the Court after the similar inquiry and adjudication as if the company were being wound up by the Court.</p> <p>Section 116(3) of the MCA: Notwithstanding subsection (2), the Court may, after considering any special circumstances of any case, direct that all or any of the provisions of that subsection shall not apply with regards to any class of creditors.</p> <p>Section 116(4) of the MCA: The Court may, on such terms and conditions as the Court thinks fit, make an order confirming the reduction if the Court is satisfied with respect to every creditor who under subsection (2) is entitled to object, that—</p> <p>(a) his consent to the reduction has been obtained; or</p>	<p>(i) in time for subsection (4)(a) to be complied with; but</p> <p>(ii) not before the beginning of the period of 30 days ending with the resolution date; and</p> <p>(c) a copy of the solvency statement is lodged with the Registrar, together with the copy of the resolution required to be lodged with the Registrar under section 186, within 15 days beginning with the resolution date.</p> <p>Section 78C(4) of the SCA: Unless subsection (2) applies, the company must —</p> <p>(a) throughout the meeting at which the resolution is to be passed — make the solvency statement or a copy of it available for inspection by the members at the meeting; and</p> <p>(b) throughout the 6 weeks beginning with the resolution date — make the solvency statement or a copy of it available at the company's registered office for inspection free of charge by any creditor of the company.</p> <p>Section 78D(1) of the SCA: This section applies where a company has passed a special resolution for reducing share capital under section 78B or 78C.</p> <p>Section 78D(2) of the SCA: Any creditor of the company to which this subsection applies may, at any time during the 6 weeks beginning with the resolution date, apply to the Court for the resolution to be cancelled.</p>	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(b) his debt or claim has been discharged, determined or secured.</p> <p>Section 116(7) of the MCA: A notice confirming the reduction of share capital issued by the Registrar shall be conclusive evidence that all the requirements of this Act with respect to reduction of share capital have been complied with and that the share capital of the company is as stated in the order.</p> <p>Section 117(1) of the MCA: A company may reduce its share capital by a special resolution if the company—</p> <p>(a) sends a notice to the Director General of the Inland Revenue Board referred to in section 134 of the Income Tax Act 1967 [Act 53] and the Registrar within seven days of the date of the resolution and the notice shall state that the resolution has been passed and contain the text of the resolution and the resolution date; and</p> <p>(b) meets the solvency requirements under subsection (3).</p> <p>Section 117(3) of the MCA: The company meets the solvency requirements if—</p> <p>(a) all directors of the company make a solvency statement in relation to the reduction of share capital;</p> <p>(b) the statement is made—</p>	<p>Section 78D(3) of the SCA: Subsection (2) applies to a creditor of the company who, at the date of the creditor's application to the Court, is entitled to any debt or claim which, if that date were the commencement of the winding up of the company, would be admissible in proof against the company.</p> <p>Section 78D(4) of the SCA: When an application is made under subsection (2) —</p> <p>(a) the creditor must as soon as possible serve the application on the company; and</p> <p>(b) the company must as soon as possible give to the Registrar notice of the application.</p> <p>Section 78G(1): A company limited by shares may, as an alternative to reducing its share capital under section 78B or 78C, reduce it in any way by a special resolution approved by an order of the Court under section 78I, but the resolution and the reduction of the share capital do not take effect until —</p> <p>(a) that order has been made;</p> <p>(b) the company has complied with section 78I(3) (lodgment of information with Registrar); and</p> <p>(c) the Registrar has recorded the information lodged with him or her under section 78I(3) in the appropriate register.</p>	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(i) in the case of a private company, within the period of fourteen days ending with the date of the resolution but shall be within time to comply with subsection (5); or</p> <p>(ii) in the case of a public company, within the period of twenty-one days ending with the date of the resolution but shall be within time to comply with subsection (6); and</p> <p>(c) a copy of the solvency statement is lodged with the Registrar together with the notice required to be lodged under paragraph (1)(a).</p> <p>Section 117(4) of the MCA: Notwithstanding subsection (1), a company need not meet the solvency requirements if the reduction of share capital is solely by way of cancellation of any paid-up share capital which is lost or unrepresented by available assets.</p> <p>Section 118 of the MCA:</p> <p>(1) This section shall apply to a company which has passed a special resolution for reducing share capital under section 117.</p> <p>(2) Any creditor of the company may apply to the Court for the resolution to be cancelled within six weeks from the date of the resolution.</p>		

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(3) Subsection (2) shall apply to a creditor of the company who is entitled to any debt or claim which would be admissible as proof against the company at the date of his application to the Court if such date were the commencement of the winding up of the company.</p> <p>(4) When an application is made under subsection (2)—</p> <p>(a) the creditor shall as soon as possible serve the application on the company; and</p> <p>(b) the company shall as soon as possible give to the Registrar notice of the application.</p>		

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
8. CHANGES IN THE RESPECTIVE RIGHTS OF THE VARIOUS CLASSES OF SHARES INCLUDING THE ACTION NECESSARY TO CHANGE THE RIGHTS		
<p>Section 91(1) of the MCA: Without prejudice to any other restrictions on the variation of the rights, the rights attached to shares in a class of shares in a company may be varied only—</p> <p>(a) in accordance with the constitution for the variation of those rights; or</p> <p>(b) if there are no such provisions, with the consent of shareholders in that class given in accordance with this section.</p> <p>Section 91(2) of the MCA: For the purposes of paragraph (1)(b), the consent of the shareholders required for the purposes of this section shall be—</p> <p>(a) a written consent representing not less than seventy-five per centum of the total voting rights of the shareholders in the class; or</p> <p>(b) a special resolution passed by shareholders in the class sanctioning the variation.</p> <p>Section 91(3) of the MCA: A variation of class rights takes effect—</p> <p>(a) if no application is made under section 93 for it to be disallowed, at the expiration of the period in which applications may be made under that section; or</p> <p>(b) if an application is made within that period, at the time the application is finally determined, unless the variation is disallowed.</p>	<p>Section 74(1) of the SCA: If, in the case of a company the share capital of which is divided into different classes of shares, provision is made by the constitution for authorising the variation or abrogation of the rights attached to any class of shares in the company, subject to the consent of any specified proportion of the holders of the issued shares of that class or the sanction of a resolution passed at a separate meeting of the holders of those shares, and pursuant to that provision, the rights attached to any such class of shares are at any time varied or abrogated, the holders of not less in the aggregate than 5% of the total number of issued shares of that class may apply to the Court to have the variation or abrogation cancelled, and, if any such application is made, the variation or abrogation does not have effect until confirmed by the Court.</p> <p>Section 74(4) of the SCA: On the application the Court, after hearing the applicant and any other persons who apply to the Court to be heard and appear to the Court to be interested, may, if satisfied having regard to all the circumstances of the case that the variation or abrogation would unfairly prejudice the shareholders of the class represented by the applicant, disallow the variation or abrogation, as the case may be, and must, if not so satisfied, confirm it and the decision of the Court is final.</p>	<p>The MCA and the SCA contain provisions allowing for rights attached to various classes of the shares to be varied. The MCA requires either compliance with the constitution or written consent representing not less than 75% of the total voting rights or a special resolution of the shareholders of the affected class before a right to shares is varied.</p> <p>However, the SCA allows variation subject to the consent of the specified class of issued shares or sanction of a resolution passed at a separate meeting of the holders of those shares in accordance with the constitution, or if not less than 5% of the total number of issued shares of the affected class may apply to the Court to have the variation cancelled. Whereas under the MCA, shareholders representing at least 10% of the total voting rights may apply to the Court to disallow the variation.</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Section 91(5) of the MCA: The issue by a company of preference shares ranking equally with existing preference shares issued by the company shall be deemed to be a variation of the rights attached to those existing preference shares unless the issue of the preference shares was authorized by the terms of issue of the existing preference shares or by the constitution of the company in force at the time the existing preference shares were issued.</p> <p>Section 93 of the MCA:</p> <p>(1) If the rights attached to shares in any class of shares in a company are varied, the shareholders representing at least ten per centum of the total voting rights in the class may apply to the Court to have the variation disallowed.</p> <p>(2) An application under subsection (1)—</p> <p>(a) shall be made within thirty days from the date on which the variation is made; and</p> <p>(b) may be made on behalf of the shareholders by any shareholder appointed in writing by all shareholders in that class.</p> <p>(3) The Court shall, upon hearing of the application made under subsection (1), make the following order:</p>	<p>Section 74(6) of the SCA: The issue by a company of preference shares ranking pari passu with existing preference shares issued by the company is deemed to be a variation of the rights attached to those existing preference shares unless the issue of the firstmentioned shares was authorised by the terms of issue of the existing preference shares or by the constitution of the company in force at the time the existing preference shares were issued.</p> <p>Section 74(7) of the SCA: For the purposes of this section, the alteration of any provision in the constitution of a company which affects or relates to the manner in which the rights attaching to the shares of any class may be varied or abrogated is deemed to be a variation or abrogation of the rights attached to the shares of that class.</p>	

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(a) if the Court is satisfied that the variation would unfairly prejudice the shareholders represented by the applicant, disallow the variation; or</p> <p>(b) if the Court is satisfied that the variation would not unfairly prejudice the shareholders, confirm the variation.</p>		
9. DIVIDENDS		
<i>Dividends and other methods of distribution</i>		
<p>Section 131(1) of the MCA: Subject to section 132, a company may only make a distribution to the shareholders out of profits of the company available if the company is solvent.</p> <p>Section 132(2) of the MCA: The directors may authorize a distribution at such time and in such amount as the directors consider appropriate, if the directors are satisfied that the company will be solvent immediately after the distribution is made.</p> <p>Section 132(4) of the MCA: If, after a distribution is authorized and before it is made, the directors cease to be satisfied on reasonable grounds that the company will be solvent immediately after the distribution is made, the directors shall take all necessary steps to prevent the distribution from being made.</p>	<p>Section 403(1) of the SCA: No dividend is payable to the share-holders of any company except out of profits.</p> <p>Section 403(2) of the SCA: Every director or chief executive officer of a company who wilfully pays or permits to be paid any dividend in contravention of this section —</p> <p>(a) shall, without prejudice to any other liability, be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding 12 months; and</p> <p>(b) shall also be liable to the creditors of the company for the amount of the debts due by the company to them respectively to the extent by</p>	<p>The MCA and the SCA contain a similar requirement in relation to dividend distribution as the company may only make a distribution to the shareholders out of profits of the company. The MCA expressly provides that dividends may be payable only out of the company's profits if the company is solvent, whereas the SCA states that a company may declare a dividend as determined by its constitution, provided it is made out of profits. Both the MCA and the SCA also enforce personal liability on directors for dividend distributions that exceed the company's profits.</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Section 133(1) of the MCA: The company may recover from a shareholder any amount of distribution paid to the shareholder which exceeds the value of any distribution that could properly have been made, unless the shareholder –</p> <p>(a) has received the distribution in good faith; and</p> <p>(b) has no knowledge that the company did not satisfy the solvency test required under subsection 132(3).</p> <p>Section 133(2) of the MCA: Every director or manager of a company who wilfully pays or permits to be paid any dividend in contravention of section 131 or 132, which he knows from his knowledge is not profits shall also be liable to the company to the extent of the amount exceeded the value of any distribution of dividends that could properly have been made.</p>	<p>which the dividends so paid have exceeded the profits and such amount may be recovered by the creditors or the liquidator suing on behalf of the creditors.</p> <p>Section 403(3) of the SCA: If the whole amount is recovered from one director or chief executive officer, he or she may recover contribution against any other person liable who has directed or consented to such payment.</p>	
10. WINDING-UP		
<p>Section 432(1) of the MCA: The winding up of a company may be effected either –</p> <p>(a) by way of winding up order made by the Court; or</p> <p>(b) by way of a voluntary winding up.</p> <p>Section 432(2) of the MCA: A voluntary winding up may be effected by a resolution either-</p>	<p>The provisions on the winding-up of a company under Singapore law is found in the IRDA.</p> <p>Section 119(1) of the IRDA: The winding up of a company may be either —</p> <p>(a) by the Court; or</p> <p>(b) voluntary.</p>	<p>Both the MCA and the IRDA provide for mode of winding up to be either voluntary or by petition to the Court. Both jurisdictions also provides that the resolution required for the company be wound up by the Court is to be a special resolution.</p> <p>The winding up process under the MCA and IRDA respectively would be in accordance with the</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(a) by a members' voluntary winding up where the company is solvent and the liquidator is appointed by the members at the members' meeting; or</p> <p>(b) by a creditors' voluntary winding up where the company is insolvent and the liquidator is appointed by the creditors at the creditors' meeting.</p> <p>Section 464(1) of the MCA: A company, whether or not it is being wound up voluntarily, may be wound up under an order of the Court on the petition of any one or more of the following:</p> <p>(a) the company;</p> <p>(b) any creditor, including a contingent or prospective creditor, of the company;</p> <p>(c) a contributory or any person who is the personal representative of a deceased contributory or the trustee in bankruptcy or the Director General of Insolvency of the estate of a bankrupt contributory;</p> <p>(d) the liquidator;</p> <p>(e) the Minister on the ground specified in paragraph 465(1)(d) or (l);</p> <p>(f) in the case of a company which is a licensed institution under the Financial Services Act 2013 or the Islamic Financial Services Act 2013 and which is not a member institution under the Malaysia Deposit Insurance Corporation Act 2011 [Act 720], the Central Bank of Malaysia;</p> <p>(g) in the case of a company which is an operator of a designated payment system under the</p>	<p>Section 124(1) of the IRDA: A company, whether or not it is being wound up voluntarily, may be wound up under an order of the Court on the application of one or more of the following:</p> <p>(a) the company;</p> <p>(b) any director of the company;</p> <p>(c) any creditor, including a contingent or prospective creditor, of the company;</p> <p>(d) a contributory, any person who is the personal representative of a deceased contributory, or the Official Assignee of the estate of a bankrupt contributory;</p> <p>(e) the liquidator of the company;</p> <p>(f) the Minister mentioned in section 241 of the Companies Act, under that section;</p> <p>(g) the Minister, on any ground specified in section 125(1)(b), (d), (l), (m) or (n);</p> <p>(h) the judicial manager appointed under this Act for the company;</p> <p>(i) in the case of a company that is carrying on or has carried on banking business, the Monetary Authority of Singapore established under the Monetary Authority of Singapore Act (Cap. 186).</p> <p>Section 125(1) of the IRDA: The Court may order the winding up of a company if —</p> <p>(a) the company has by special resolution resolved that it be wound up by the Court;</p> <p>(b) default is made by the company in lodging the statutory report or in holding the statutory meeting;</p>	<p>relevant procedures applicable in the respective jurisdiction.</p>

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Financial Services Act 2013 or the Islamic Financial Services Act 2013, the Central Bank of Malaysia;</p> <p>(h) the Registrar on the ground specified in paragraph 465(1)(k); or</p> <p>(i) in the case of a member institution under the Malaysia Deposit Insurance Corporation Act 2011, the Malaysia Deposit Insurance Corporation mentioned in section 99 of that Act.</p> <p>Section 465(1) of the MCA: The Court may order the winding up if—</p> <p>(a) the company has by special resolution resolved that the company is to be wound up by the Court;</p> <p>(b) the company defaults in lodging the statutory declaration under subsection 190(3);</p> <p>(c) the company does not commence business within a year from its incorporation or suspends its business for a whole year;</p> <p>(d) the company has no member;</p> <p>(e) the company is unable to pay its debts;</p> <p>(f) the directors have acted in the affairs of the company in the directors' own interests rather than in the interests of the members as a whole or acted in any other manner which appears to be unfair or unjust to members;</p> <p>(g) when the period, if any, fixed for the duration of the company by the constitution expires or the event, if any, occurs on the occurrence of which the constitution provide that the company is to be dissolved;</p>	<p>(c) the company does not commence business within a year after its incorporation, or suspends its business for a whole year;</p> <p>(d) the company has no member;</p> <p>(e) the company is unable to pay its debts;</p> <p>(f) the directors have acted in the affairs of the company in their own interests rather than in the interests of the members as a whole, or in any other manner which appears to be unfair or unjust to other members;</p> <p>(g) an inspector appointed under Part IX of the Companies Act has reported that he or she is of the opinion —</p> <p>(i) that the company cannot pay its debts and should be wound up; or</p> <p>(ii) that it is in the interests of the public, the shareholders or the creditors that the company should be wound up;</p> <p>(h) the period, if any, fixed for the duration of the company by the constitution of the company expires or, where the constitution of the company provides that the company is to be dissolved on the occurrence of an event, that event happens;</p> <p>(i) the Court is of the opinion that it is just and equitable that the company be wound up;</p> <p>(j) the company has held a licence under any written law relating to banking, and that licence has been revoked or has expired and has not been renewed;</p> <p>(k) the company is carrying on or has carried on banking business in Singapore in contravention</p>	

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(h) the Court is of the opinion that it is just and equitable that the company be wound up;</p> <p>(i) the company has held a licence under the Financial Services Act 2013 or the Islamic Financial Services Act 2013, and that the licence has been revoked or surrendered;</p> <p>(j) the company has carried on a licensed business without being duly licensed or the company has accepted, received or taken deposits in Malaysia, in contravention of the Financial Services Act 2013 or the Islamic Financial Services Act 2013, as the case may be;</p> <p>(k) the company is being used for unlawful purposes or any purpose prejudicial to or incompatible with peace, welfare, security, public interest, public order, good order or morality in Malaysia; or</p> <p>(l) the Minister has made a declaration under section 590.</p> <p>Section 439 (1) of the MCA: A company may be wound up voluntarily—</p> <p>(a) when the period, if any, fixed for the duration of the company by the constitution expires, or the event, if any, occurs, on the occurrence of which the constitution provide that the company is to be dissolved and the company in general meeting has passed a resolution requiring the company to be wound up voluntarily; or</p> <p>(b) if the company so resolve by special resolution.</p>	<p>of the provisions of any written law relating to banking;</p> <p>(l) the company has carried on multi-level marketing or pyramid selling in contravention of the Multi-Level Marketing and Pyramid Selling (Prohibition) Act (Cap. 190);</p> <p>(m) the company, being a foreign corporate entity that was registered as a company limited by shares under section 359(1) of the Companies Act subject to conditions, has breached any of the conditions of registration imposed under section 359(2) of that Act; or</p> <p>(n) the company is being used for an unlawful purpose or for purposes prejudicial to public peace, welfare or good order in Singapore or against national security or interest.</p> <p>Section 160(1) of the IRDA: A company may be wound up voluntarily —</p> <p>(a) when the period (if any) fixed for the duration of the company by the constitution of the company expires or, where the constitution of the company provides that the company is to be dissolved on the occurrence of an event, when that event happens, and the company in general meeting has passed a resolution requiring the company to be wound up voluntarily; or</p> <p>(b) if the company so resolves by special resolution.</p> <p>Section 163(1) of the IRDA: Where it is proposed to wind up a company voluntarily pursuant to a</p>	

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Section 443(1) of the MCA: Where it is proposed to wind up a company voluntarily, the director or in the case of a company having more than one director, the majority of the directors may—</p> <p>(a) make a written declaration to the effect that the directors have made an inquiry into the affairs of the company; and</p> <p>(b) at a meeting of directors, have formed the opinion that the company will be able to pay its debts in full within a period not exceeding twelve months after the commencement of the winding up.</p> <p><i>Remedy in cases of an oppression</i></p> <p>Section 346(1) of the MCA: Any member or debenture holder of a company may apply to the Court for an order under this section on the ground —</p> <p>(a) that the affairs of the company are being conducted or the powers of the directors are being exercised in a manner oppressive to one or more of the members or debenture holders including himself or in disregard of his or their interests as members, shareholders or debenture holders of the company; or</p> <p>(b) that some act of the company has been done or is threatened or that some resolution of the members, debenture holders or any class of</p>	<p>members' voluntary winding up, the directors of the company or, in the case of a company that has more than 2 directors, the majority of the directors must, before the date on which the notices of the meeting at which the resolution for the winding up of the company is to be proposed are sent out, make a declaration to the effect that —</p> <p>(a) they have made an inquiry into the affairs of the company; and</p> <p>(b) at a meeting of directors, they have formed the opinion that the company will be able to pay its debts in full within a period not exceeding 12 months after the commencement of the winding up.</p> <p><i>Remedy in cases of an oppression</i></p> <p>Section 186(1) of the IRDA: At any time during the winding up of a company, the Court may, on the application of the liquidator or of any creditor or contributory, and on proof to the satisfaction of the Court that all proceedings in relation to the winding up ought to be stayed or terminated, make an order —</p> <p>(a) staying the proceedings either altogether or for a limited time, on such terms and conditions as the Court thinks fit; or</p> <p>(b) terminating the winding up on a day specified in the order.</p>	

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>them has been passed or is proposed which unfairly discriminates against or is otherwise prejudicial to one or more of the members or debenture holders, including himself.</p> <p>Section 346(2) of the MCA: If on such application the Court is of the opinion that either of those grounds is established, the Court may make such order as the Court thinks fit with the view to bringing to an end or remedying the matters complained of, and without prejudice to the generality of subsection (1), the order may—</p> <p>(a) direct or prohibit any actor cancel or vary any transaction or resolution;</p> <p>(b) regulate the conduct of the affairs of the company in the future;</p> <p>(c) provide for the purchase of the shares or debentures of the company by other members or debenture holders of the company or by the company itself;</p> <p>(d) in the case of a purchase of shares by the company, provide for a reduction accordingly of capital of the company; or</p> <p>(e) provide that the company be wound up.</p> <p>Section 346(3) of the MCA: If an order that the company be wound up is made under paragraph (2)(e), the provisions of this Act relating to winding up of a company shall apply as if the order had been made upon a petition duly presented to the Court by the company, with such adaptations as are necessary.</p>	<p>Section 216(1) of the SCA: Any member or holder of a debenture of a company or, in the case of a declared company under Part 9, the Minister, may apply to the Court for an order under this section on the ground —</p> <p>(a) that the affairs of the company are being conducted or the powers of the directors are being exercised in a manner oppressive to one or more of the members or holders of debentures including the applicant or in disregard of his, her or their interests as members, shareholders or holders of debentures of the company; or</p> <p>(b) that some act of the company has been done or is threatened or that some resolution of the members, holders of debentures or any class of them has been passed or is proposed which unfairly discriminates against or is otherwise prejudicial to one or more of the members or holders of debentures (including the applicant).</p> <p>Section 216(2) of the SCA: If on such application the Court is of the opinion that either of such grounds is established the Court may, with a view to bringing to an end or remedying the matters complained of, make such order as it thinks fit and, without limiting the foregoing, the order may —</p> <p>(a) direct or prohibit any act or cancel or vary any transaction or resolution;</p>	

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>(b) regulate the conduct of the affairs of the company in future;</p> <p>(c) authorise civil proceedings to be brought in the name of or on behalf of the company by such person or persons and on such terms as the Court may direct;</p> <p>(d) provide for the purchase of the shares or debentures of the company by other members or holders of debentures of the company or by the company itself;</p> <p>(e) in the case of a purchase of shares by the company provide for a reduction accordingly of the company's capital; or</p> <p>(f) provide that the company be wound up.</p>	
11. TAKE-OVER PROVISIONS AND PROVISIONS REGULATING FOREIGN COMPANIES IN MALAYSIA		
<i>Take-over provisions</i>		
Governing Provisions: Division 2 of Part VI of the Capital Markets and Services Act 2007 (" CMSA "), the Malaysian Code on Take-Overs and Mergers 2016 (" Code ") and the Rules on Take-Overs, Mergers and Compulsory Acquisitions (" TOMCA Rules ").	<p>Governing Provisions: The Singapore Code on Take-overs and Mergers ("Singapore Code").</p> <p>The Singapore Code applies to corporations with a primary listing of their equity securities, business trusts with a primary listing of their units in Singapore and real estate investment trusts under the SFA. In addition, the Singapore Code, applies to all offerors, whether they are natural persons (be they resident</p>	Both Malaysia and Singapore have laws on take-over provisions. Under the Singapore Code, a mandatory offer is required when a person acquires shares carrying 30% or more of the voting rights and where a person, holding not less than 30% but not more than 50% of voting rights, acquires more than 1% of the voting rights within any period of six months. Under the TOMCA Rules, Malaysia sets the control threshold at 33% and the creeping threshold

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<p>The following entities are prescribed to be a company according to subsection 216(1) of the CMSA:</p> <p>(a) a corporation listed on a stock exchange;</p> <p>(b) a public company as may be specified by the Commission; and</p> <p>(c) any other entity as may be specified by the Commission.</p> <p>Section 216(2),(3) &(4) of the CMSA:</p> <p>(2) a reference to “persons acting in concert” shall be construed as a reference to persons who, pursuant to an agreement, arrangement or understanding, co-operate to—</p> <p>(a) acquire jointly or severally voting shares of a company for the purpose of obtaining control of that company; or</p> <p>(b) act jointly or severally for the purpose of exercising control over a company.</p> <p>(3) Without prejudice to the generality of subsection (2), the following persons shall be presumed to be persons acting in concert unless the contrary is established:</p> <p>(a) a corporation and its related and associate corporations;</p>	<p>in Singapore or not and whether citizens of Singapore or not), corporations or bodies unincorporate (be they incorporated or carrying on business in Singapore or not), and extends to acts done or omitted to be done in and outside Singapore.</p> <p>Rule 14.1 of the Singapore Code: Except with the Council’s consent, where:-</p> <p>(a) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company; or</p> <p>(b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of 6 months additional shares carrying more than 1% of the voting rights,</p> <p>such person must extend offers immediately, on the basis set out in this Rule, to the holders of any class of share capital of the company which carries votes and in which such person, or persons acting in concert with him, hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according</p>	<p>at an acquisition of more than 2% within six months for holders holding over 33% but not more than 50% of voting rights.</p> <p>Both the CMSA and Singapore Code provide the definition of “persons acting in concert”, which share certain similarities.</p>

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(b) a corporation and any of its directors, or the close relative of any of its directors, or the spouse of any such director or any such relative, or any related trusts;</p> <p>(c) a corporation and any pension fund established by it;</p> <p>(d) a person and any investment company, unit trust or other fund whose investments such person manages on a discretionary basis;</p> <p>(e) a financial adviser and its client which is a corporation, where the financial adviser manages on a discretionary basis the corporation's funds and has ten per centum or more of the voting shares in that corporation;</p> <p>(f) a person who owns or controls twenty per centum or more of the voting shares of a corporation falling within paragraph (a) and any close relative of such person, or the spouse of such person or any such relative, or any related trusts together with one or more persons falling within paragraph (a);</p> <p>(g) partners of a partnership;</p> <p>(h) an individual and any person who is accustomed to act in accordance with the instructions of the individual, and the close relative of, companies controlled by, or related trusts of, the individual; and</p>	<p>to the circumstances of the case, have the obligation to extend an offer.</p> <p>As defined under the Singapore Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Without prejudice to the general application of this definition, the following individuals and companies will be presumed to be persons acting in concert with each other unless the contrary is established:</p> <p>(a) the following companies:</p> <ul style="list-style-type: none"> i) a company; ii) the parent company of (i); iii) the subsidiaries of (i); iv) the fellow subsidiaries of (i); v) the associated companies of any of (i), (ii), (iii) or (iv); vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights. <p>(b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);</p>	

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(i) a person, other than a licensed bank or a prescribed institution, who, directly or indirectly, provides finance or financial assistance, in connection with an acquisition of voting shares or voting rights, with a person who receives such finance or financial assistance.</p> <p>(4) For the purposes of subsection (2), an agreement, arrangement or understanding means an agreement, arrangement or understanding whether formal or informal, whether written or oral, whether express or implied or whether or not having legal or equitable force.</p> <p>Rule 4.01 of the TOMCA Rules: Unless otherwise exempted by the SC, a mandatory offer shall apply to an acquirer in the following situations:</p> <p>(a) Where the acquirer has obtained control in a company; or</p> <p>(b) Where the acquirer has triggered the creeping threshold</p> <p>irrespective of how control has been effected or the creeping threshold has been triggered, including by way of a scheme.</p> <p>In this context, the following definition as defined in the CMSA shall apply:-</p>	<p>(c) a company with any of its pension funds and employee share schemes;</p> <p>(d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;</p> <p>(e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser;</p> <p>(f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;</p> <p>(g) partners; and</p> <p>(h) the following persons and entities:</p> <p>i) an individual;</p> <p>ii) the close relatives of (i);</p> <p>iii) the related trusts of (i);</p> <p>iv) any person who is accustomed to act in accordance with the instructions of (i); and</p> <p>v) companies controlled by any of (i), (ii), (iii) or (iv); and</p> <p>vi) any person who has provided financial assistance (other than a bank in the</p>	

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>“control” means the acquisition or holding of, or entitlement to exercise or control the exercise of, voting shares or voting rights of more than thirty-three per centum, or such other amount as may be prescribed in the Code in a company, howsoever effected.</p> <p>In this context, the following definition as defined in the TOMCA Rules shall apply:-</p> <p>“creeping threshold” means an acquisition of more than two per cent of the voting shares or voting rights of a company in any period of six months by an acquirer holding over 33 per cent but not more than 50 per cent of the voting shares or voting rights of the company.</p>	<p>ordinary course of business) to any of the above for the purchase of voting rights.</p> <p>Rule 15.1 of the Singapore Code: A voluntary offer is a take-over offer for the voting shares of a company made by a person when he has not incurred an obligation to make a general offer for the company under Rule 14.1. A voluntary offer must be conditional upon the offeror receiving acceptances in respect of voting rights which, together with voting rights acquired or agreed to be acquired before or during the offer, will result in the offeror and person acting in concert with it holding more than 50% of the voting rights. In addition, a voluntary offer must not be made subject to conditions whose fulfilment depends on the subjective interpretation or judgement by the offeror or lies in the offeror's hands. Normal conditions, such as level of acceptance, approval of shareholders for the issue of new shares and the Securities Exchange's approval for listing, may be attached without reference to the Council. Where appropriate, a voluntary offer must contain terms set out in Appendix 3. The Council should be consulted where other conditions would be attached.</p>	
12. OTHER PROVISIONS RELATING TO SHARES, SHAREHOLDERS, FORM OF REGISTERS, CHARGES AND SECURITY FOR COSTS		
<i>Difference in calls and payment</i>		
Section 81(1) of the MCA: Unless otherwise provided in the constitution, a company may—	Section 65(1) of the SCA: A company if so authorised by its constitution may —	Both the MCA and SCA allow companies to make similar provisions regarding shares, payments, and dividends, provided they are authorised by the

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<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(a) make arrangements on the issue of shares for varying the amounts and times of payment of calls as between shareholders;</p> <p>(b) accept from any shareholder the whole or a part of the amount remaining unpaid on any shares although no part of that amount has been called up; and</p> <p>(c) pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.</p> <p>Section 81(2) of the MCA: The director may, if he thinks fit, receive from any shareholder willing to advance payment all or any part of the money uncalled and unpaid upon any shares held by the shareholder.</p> <p>Section 81(3) of the MCA: Upon all or any part of the money advanced referred to in subsection (2) is received by the directors from the shareholder become payable, the company may pay interest or return at a rate not exceeding eight per centum per annum as may be agreed upon between the directors and the shareholder paying the sum in advance, unless the company in a general meeting otherwise directs.</p>	<p>(a) make arrangements on the issue of shares for varying the amounts and times of payment of calls as between shareholders;</p> <p>(b) accept from any member the whole or a part of the amount remaining unpaid on any shares although no part of that amount has been called up; and</p> <p>(c) pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.</p>	<p>company's constitution. The MCA in addition allows the Directors to accept advance payment from any shareholder for all or part of the uncalled and unpaid money on shares held by the shareholder. The SCA does not expressly provide for this.</p>
<i>Bearer's share warrants</i>		
<p>Section 73(1) of the MCA: No company shall have the power to issue a bearer's share warrant.</p>	<p>Section 66(1) of the SCA: A company must not issue any share warrant stating that the bearer of the warrant is entitled to the shares therein specified</p>	<p>Both MCA and SCA similarly prohibit a company from issuing any share warrant that states the bearer is entitled to the shares specified and allows transfer by delivery of the warrant. Under the MCA,</p>

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(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Section 73(2) of the MCA: A bearer of share warrant shall surrender the warrant for cancellation to have the bearer's name entered in the register of members of the company within twelve months upon the commencement of this Act.</p> <p>Section 73(3) of the MCA: Notwithstanding subsection (2), a bearer of share warrant may apply to the Court for an order to have his name entered in the register of members of the company.</p> <p>Section 73(4) of the MCA: The company shall be responsible for any loss incurred by any person by reason of the company entering in the register of members, the name of a bearer of a share warrant issued without the warrant being surrendered and cancelled.</p>	<p>and which enables the shares to be transferred by delivery of the warrant.</p> <p>Section 66(2) of the SCA: The bearer of a share warrant issued before 29 December 1967 is, in the 2-year period after 1 July 2015, entitled to surrender it for cancellation and to have the bearer's name entered in the register of members.</p> <p>Section 66(3) of the SCA: The company is responsible for any loss incurred by any person by reason of the company entering in the register the name of a bearer of a share warrant issued before 29 December 1967 in respect of the shares therein specified without the warrant being surrendered and cancelled.</p> <p>Section 66(4) of the SCA: A company must cancel any share warrant which is issued by a company before 29 December 1967 that is unaccounted for by the expiry of the 2-year period mentioned in subsection (2), and the company is not responsible for any loss incurred by any person by reason of such cancellation.</p>	<p>the bearer of a share warrant has to apply to the Court for their name to be entered in the register of members, which the SCA does not provide for.</p> <p>MCA holds the company responsible for losses incurred if the company enters a bearer's name without surrender and cancellation of the warrant. The same is also provided in the SCA with respect to share warrants issued before 29 December 1967, The SCA further states that the company is not responsible for losses due to cancellation of unaccounted-for share warrants after the specified period.</p>

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<i>Options over unissued shares</i>		
<p>Section 128(1) of the MCA: A public company may grant an option to any person to take up unissued shares for a period of not more than ten years from the date on which the option was granted.</p> <p>Section 128(2) of the MCA: Subsection (1) shall not apply in any case where the debenture holders have an option to take up shares of the company by way of redemption of the debentures.</p> <p><u>Register of options to take up unissued shares in a company</u></p> <p>Section 129(1) of the MCA: A company shall maintain a register of options granted to persons to take up unissued shares in the company.</p> <p>Section 129(2) of the MCA: The company shall, within fourteen days from the grant of an option to take up unissued shares in the company, enter in the register the following particulars:</p> <p>(a) the name, address and the number of the identity card issued under the National Registration Act 1959, or the passport number or other identification number and the nationality of the holder of the option;</p> <p>(b) the date on which the option was granted;</p>	<p>Section 77(1) of the SCA: An option granted after 29 December 1967 by a public company which enables any person to take up unissued shares of the company after a period of 5 years has elapsed from the date on which the option was granted is void.</p> <p>Section 77(1A) of the SCA: An option granted on or after 18 November 1998 by a public company which enables any employee of that company or its related corporation (including any director holding a salaried office or employment in that company or corporation) to take up unissued shares of the company after a period of 10 years has elapsed from the date on which the option was granted is void and subsection (1) does not apply to such an option.</p> <p>Section 77(2) of the SCA: Subsection (1) or (1A) does not apply in any case where the holders of debentures have an option to take up shares of the company by way of redemption of the debentures.</p>	<p>Each jurisdiction has different requirements in relation to options. The MCA allows granting of options for up to ten years and the ten-year restriction does not apply to options for debenture holders redeeming debentures for shares. The SCA differentiates between options granted after 29 December 1967 and options granted on or after 18 November 1998 to employees. The MCA provides for maintaining a register of options, entering particulars within 14 days, and retaining a copy of the option instrument. However, the SCA does not specify such detailed registration requirements.</p>

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS

(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(c) the number and description of the shares in respect of which the option was granted;</p> <p>(d) the period during which, the time at which or the occurrence upon the happening of which the option may be exercised;</p> <p>(e) the consideration, if any, for the grant of the option;</p> <p>(f) the consideration, if any, for the exercise of the option or the manner in which that consideration is to be ascertained or determined; and</p> <p>(g) such other particulars as may be determined by the Registrar.</p> <p>Section 129(4) of the MCA: A company shall maintain a copy of every instrument by which an option to take up shares in the company is granted at the place where the register under this section is kept and such records shall be deemed to be part of the register.</p> <p>Section 129(5) of the MCA: The rights in respect of the option shall not be affected by failure of the company to comply with this section.</p>		

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS

(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<i>Security for costs</i>		
<p>Section 580A(1) of the MCA: Where a company is the plaintiff in any action or other proceedings and if it appears by a credible testimony that there is reason to believe that the company will be unable to pay the costs of the defendant if the defendant is successful in his defence, the Court may order the plaintiff to give sufficient security for all the costs and to stay all action or proceedings until the security is given.</p> <p>Section 580A(2) of the MCA: The Court may direct the costs of any action or proceedings to be borne by the party to the action or proceedings.</p>	<p>Section 388(1) of the SCA: Where a corporation is claimant in any action or other legal proceeding the court having jurisdiction in the matter may, if it appears by credible testimony that there is reason to believe that the corporation will be unable to pay the costs of the defendant if successful in the defendant's defence, require sufficient security to be given for those costs and stay all proceedings until the security is given.</p> <p>Section 388(2) of the SCA: The costs of any proceeding before a court under this Act must be borne by such party to the proceeding as the court may, in its discretion, direct.</p>	<p>Both the MCA and SCA address situations where the plaintiff/claimant is a company or corporation and may be unable to pay the defendant's costs if the defendant succeeds, and give the Court the discretion to require security for costs and to stay proceedings until the security is provided.</p>
<i>Form of registers</i>		
<p>Section 47(1) of the MCA: A company shall keep at its registered office—</p> <p>(a) notice of registration issued under section 15;</p> <p>(b) the constitution of the company, if any;</p> <p>(c) certificates given under this Act or corresponding previous written law, if any;</p> <p>(d) all registers, books, records and documents as required under this Act;</p> <p>(e) minutes of all meetings of members and resolutions of members;</p>	<p>Section 22(4) of the SCA: A copy of the constitution, duly signed by the subscribers and stating, if the company is to have a share capital, the number of shares that each subscriber has agreed to take, must be kept at the registered office of the company.</p> <p>Section 82(1) of the SCA: A person who is a substantial shareholder in a company must give written notice to the company stating the person's name and address and full particulars (including, unless the interest or interests cannot be related to a particular share or shares, the name of the person who is registered as the holder) of the voting shares in the company in which the person has an interest or interests and full particulars of each such interest</p>	<p>The MCA provides a comprehensive list of documents and records that must be kept at the registered office. Although there is no equivalent comprehensive list in the SCA, the SCA provides the requirement for certain registers to be kept at the registered office of the company.</p> <p>Both the MCA and SCA provide clear rights for inspection of records in the form as specified.</p>

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(f) minutes of all meetings and resolutions of the Board and committees of the Board;</p> <p>(g) copies of all written communications to all members or all holders of the same class of shares;</p> <p>(h) copies of all financial statements and group financial statement;</p> <p>(i) the accounting records of the company required under section 245;</p> <p>(j) copies of all instruments creating or evidencing charges as required under section 357; and</p> <p>(k) such other documents required to be kept by the Registrar.</p> <p>Section 48(1) of the MCA: Any document and record that is to be made available for inspection under this Act, shall be made available for inspection by any person who is entitled to inspect such document and record at the registered office of a company or any other place allowed by this Act.</p> <p>Section 48(2) of the MCA: A company shall provide proper facilities to enable the documents and records to be inspected.</p>	<p>and of the circumstances by reason of which the person has that interest.</p> <p>Section 88(1) of the SCA: A company must keep a register in which it must immediately enter —</p> <p>(a) in alphabetical order the names of persons from whom it has received a notice under section 82; and</p> <p>(b) against each name so entered, the information given in the notice and, where it receives a notice under section 83 or 84, the information given in that notice.</p> <p>Section 88(2) of the SCA: The register must be kept at the registered office of the company, or, if the company does not have a registered office, at the principal place of business of the company in Singapore and must be open for inspection by a member of the company without charge and by any other person on payment for each inspection of a sum of \$2 or such lesser sum as the company requires.</p> <p>Section 191(1) of the SCA: The register of members and index (if any) must be kept at the registered office of the public company, but —</p> <p>(a) if the work of making them up is done at another office of the company in Singapore they may be kept at that other office; or</p>	

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS

(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>Section 48(3) of the MCA: The person who is entitled under this Act to inspect the documents and records referred to in subsection (1) shall be allowed to make copies or take extracts from the documents and records.</p> <p>Section 49 (1) of the MCA: The documents and records of a company referred to in section 47 shall be—</p> <p>(a) in a written form; or</p> <p>(b) in any other form or manner, electronic or otherwise, that allows the documents and information to be easily accessible and reproduced into written form.</p>	<p>(b) if the company arranges with some other person to make up the register and index (if any) on its behalf they may be kept at the office of that other person at which the work is done if that office is in Singapore.</p> <p>Section 191(2) of the SCA: Every public company must, within 14 days after the register and index, if any, are first kept at a place other than the registered office, lodge with the Registrar notice of the place where the register and index (if any) are kept and must, within 14 days after any change in the place at which the register and index (if any) are kept, lodge with the Registrar notice of the change.</p> <p>Section 199(1) of the SCA: Every company must cause to be kept such accounting and other records as will sufficiently explain the transactions and financial position of the company and enable true and fair financial statements and any documents required to be attached thereto to be prepared from time to time, and must cause those records to be kept in such manner as to enable them to be conveniently and properly audited.</p> <p>Section 199(3) of the SCA: The records referred to in subsection (1) must be kept at the registered office of the company or at such other place as the directors think fit and must at all times be open to inspection by the directors.</p> <p>Section 396A(1) of the SCA: Any company record which is by this Act required to be available for</p>	

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
	<p>inspection must, subject to and in accordance with this Act, be available for inspection at the place where in accordance with this Act it is kept during the hours in which the registered office of the company is accessible to the public.</p> <p>Section 396A(2) of the SCA: If company records are kept by the company by recording the information in question in electronic form, any duty imposed on the company under subsection (1) or any other provision of this Act to allow inspection of the company records is to be regarded as a duty to allow inspection of —</p> <p>(a) a reproduction of the recording, or the relevant part of the recording, in hard copy form; or</p> <p>(b) if requested by the person inspecting the recording, the recording, or the relevant part of the recording, by electronic means.</p> <p>Section 396A(4) of the SCA: Where company records are kept by the company by recording the information in question in electronic form, the company must ensure that proper facilities are provided to enable the company records to be inspected, and where default is made in complying with this subsection, the company and every officer of the company who is in default shall each be guilty of an offence and shall each be liable on conviction to a fine not exceeding \$1,000 and also to a default penalty.</p>	

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<i>Registration of charges</i>		
<p>Section 352(1) of the MCA: A company that creates a charge over its property or any of its undertakings to which this section applies shall lodge within thirty days from the creation of the charge, together with the prescribed fee with the Registrar for registration, a statement of particulars of the charge in the form and manner as may be determined by the Registrar.</p> <p>Section 352(2) of the MCA: If a company contravenes with subsection (1), the charge shall be void against the liquidator and any creditor of the company, so far as any security on the company's property or undertaking is conferred.</p> <p>Section 352(6) of the MCA: Subsection (1) shall not apply—</p> <p>(a) to a charge created to secure payment or performance of a financial obligation arising from any instruments or transactions effected in the money market in such manner and to such extent as may be specified by the Central Bank of Malaysia under the Financial Services Act 2013 or the Islamic Financial Services Act 2013; or</p> <p>(b) if the person interested in the charge is the Central Bank of Malaysia.</p> <p>Section 352(7) of the MCA: For the purposes of subsection (6), the charge shall be treated as if it is</p>	<p>Section 131(1) of the SCA: Subject to this Division, where a charge to which this section applies is created by a company there must be lodged with the Registrar in the prescribed manner for registration, within 30 days after the creation of the charge, a statement containing the prescribed particulars of the charge, and if this section is not complied with in relation to the charge the charge is, so far as any security on the company's property or undertaking is thereby conferred, void against the liquidator and any creditor of the company.</p> <p>Section 131(3) of the SCA: This section applies to the following charges that are created on or after 3 January 2016:</p> <p>(a) a charge to secure any issue of debentures;</p> <p>(b) a charge on uncalled share capital of a company;</p> <p>(c) a charge on shares of a subsidiary of a company which are owned by the company;</p> <p>(d) a charge created or evidenced by an instrument which if executed by an individual, would require registration as a bill of sale;</p> <p>(e) a charge on land wherever situate or any interest therein but not including any charge for any rent or other periodical sum issuing out of land;</p> <p>(f) a charge on book debts of the company;</p> <p>(g) a floating charge on the undertaking or property of a company;</p>	<p>Both the MCA and SCA require registration of certain charges within 30 days of their creation, with similar types of charges specified. However, the MCA includes specific exceptions related to financial obligations and the Central Bank, whereas the SCA does not. The consequences of non-registration are also slightly different, while both the MCA and SCA state that unregistered charges are void against the liquidator and creditors, the MCA provides for automatic validity for certain unregistered charges in Section 352(6) of the MCA.</p>

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>a charge registered under subsection (1) and shall be valid against the liquidator and any creditor of the company.</p> <p>Section 353 of the MCA: The requirement for registration under section 352 shall apply to the following charges:</p> <p>(a) a charge to secure any issue of debentures;</p> <p>(b) a charge on uncalled share capital of a company;</p> <p>(c) a charge on shares of a subsidiary of the company which are owned by the company;</p> <p>(d) a charge or an assignment created or evidenced by an instrument which if executed by an individual within Peninsular Malaysia and affecting property within Peninsular Malaysia, would be invalid or of limited effect if not filed or registered under the Bills of Sale Act 1950 [Act 268];</p> <p>(e) a charge on land wherever situate or any interest in the land;</p> <p>(f) a charge on book debts of the company;</p> <p>(g) a floating charge on the undertaking or property of a company;</p> <p>(h) a charge on calls made but not paid;</p>	<p>(h) a charge on calls made but not paid;</p> <p>(i) a charge on a ship or aircraft or any share in a ship or aircraft;</p> <p>(j) a charge on goodwill, on a patent or a licence under a patent, on a trade mark or a licence to use a trademark, or on a copyright or a licence under a copyright or on a registered design or a licence to use a registered design.</p> <p>Section 138(1) of the SCA: Every company must cause the instrument creating any charge requiring registration under this Division or a copy thereof to be kept at the registered office of the company for as long as the charge to which the instrument relates remains in force, but in the case of a series of debentures the keeping of a copy of one debenture of the series is sufficient for the purposes of this subsection.</p> <p>Section 138(2) of the SCA: Every company must keep at the registered office of the company a register of charges and enter therein all charges specifically affecting property of the company and all floating charges on the undertaking or any property of the company, giving in each case a short description of the property charged, the amount of the charge and (except in the case of securities to bearer) the names of the persons entitled thereto.</p>	

ANNEXURE B: SUMMARY COMPARISON OF SINGAPORE CORPORATION LAW AND MALAYSIAN CORPORATION LAW WITH RESPECT TO CORPORATE GOVERNANCE, SHAREHOLDERS AND MINORITY INTEREST PROTECTION AND REGULATION OF TAKE-OVERS AND MERGERS
(Cont'd)

<u>Malaysian Corporation Law</u>	<u>Singapore Corporation Law</u>	<u>Comments on differences, if any</u>
<p>(i) a charge on a ship or aircraft or any share in a ship or aircraft;</p> <p>(j) a charge on goodwill, on a patent or licence under a patent, on a trade mark, or on a copyright or a licence under a copyright; and</p> <p>(k) a charge on the credit balance of the company in any deposit account.</p> <p>Section 357(1) of the MCA: The Registrar shall keep and maintain a register of all charges lodged for registration under this subdivision.</p>		

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL

The following table sets forth a summary of comparison of certain salient provisions of the SGX Listing Manual and the Listing Requirements. The summaries below are not to be regarded as advice on the standards of disclosure, and do not purport to be a comprehensive description of all the disclosure rules under the SGX Listing Manual or the Listing Requirements. In addition, prospective investors should also note that the SGX Listing Manual and/or the Listing Requirements may change and are advised to consult their professional advisers.

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
Chapter 9 Parts C, D and E – Immediate Disclosure of Material Information, Thorough Public Dissemination and Clarification, Confirmation or Denial of Rumours or Reports	Chapter 7, Part II – Disclosure of Material Information	
<p>Under Paragraph 9.03, a listed issuer must make immediate public disclosure of any material information, except for certain circumstances as set out in Paragraph 9.05 (see below).</p> <p>Information is considered material, if it is reasonably expected to have a material effect on:</p> <p>(a) the price, value or market activity of any of the listed issuer's securities; or</p> <p>(b) the decision of a holder of securities of the listed issuer or an investor in determining his choice of action.</p> <p>Under Paragraph 9.05, a listed issuer may, in exceptional circumstances, temporarily refrain from publicly disclosing material information, provided that complete confidentiality is maintained. Where material information is withheld, the listed issuer must refrain from delaying disclosure for an unreasonable period of time since it is unlikely that confidentiality can be maintained beyond a short period of time.</p> <p>The exceptional circumstances where disclosures can be withheld are limited and</p>	<p>Under Rule 703(1), a listed issuer must announce any information known to the issuer concerning it or any of its subsidiaries or associated companies which:-</p> <p>(a) is necessary to avoid the establishment of a false market in the issuer's securities; or</p> <p>(b) would be likely to materially affect the price or value of its securities.</p> <p>A false market may exist if information is not made available that would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, or buy or sell the securities.</p> <p>Under Rule 703(2), Rule 703(1) does not apply to information which it would be a breach of law to disclose.</p> <p>Under Rule 703(3), Rule 703(1) does not apply to particular information while each of the following conditions applies:</p> <ul style="list-style-type: none"> - Condition 1: a reasonable person would not expect the information to be disclosed; - Condition 2: the information is confidential; and 	<p>Both the Listing Requirements and the SGX Listing Manual recognise the need for a balance between timely disclosure and legitimate reasons for temporarily withholding material information. While both frameworks generally mandate immediate disclosure, they also allow temporary non-disclosures in specific circumstances.</p> <p>Under the SGX Listing Manual, issuers may withhold material information provided that the information is of a certain type, a reasonable person would not expect it to be disclosed, the information is confidential and falls under one of the scenarios under Condition 3 of Rule 703(3). Likewise, under the Listing Requirements, issuers may withhold material information under exceptional circumstances, provided strict confidentiality is maintained. For example, information in a state of</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>constitute an infrequent exception to the normal requirement of immediate public disclosure. In cases of doubt, the presumption must always be in favour of disclosure.</p> <p>The following are the exceptional circumstances where disclosure may be temporarily withheld:-</p> <p>(a) when immediate disclosure would prejudice the ability of the listed issuer to pursue its corporate objectives;</p> <p>(b) when the facts are in a state of flux and a more appropriate moment for disclosure is imminent; or</p> <p>(c) where the laws prohibit the disclosure of such information.</p> <p>Under Paragraph 9.06, whenever material information is being temporarily withheld, a listed issuer must ensure that the strictest confidentiality is maintained, including limiting the number of persons having access to the material information and ensuring security of all confidential documents. In the event that material information is or is believed to have been inadvertently disclosed to third parties or where the material information has become generally available through the media or otherwise, the listed issuer must immediately announce the information to the Exchange.</p> <p>Under Paragraph 9.07, a listed issuer must, during a period where information is withheld from the public, closely monitor the market activity of the listed issuer's securities. The listed issuer must immediately announce the information withheld to the Exchange in accordance with the</p>	<p>- Condition 3: one or more of the following applies:</p> <ul style="list-style-type: none"> o the information concerns an incomplete proposal or negotiation; o the information comprises matters of supposition or is insufficiently definite to warrant disclosure; o the information is generated for the internal management purposes of the entity; o the information is a trade secret. <p>Under Rule 703(4), in complying with the disclosure requirements, an issuer must:</p> <p>(a) observe the Corporate Disclosure Policy set out in Appendix 7.1 of the SGX Listing Manual; and</p> <p>(b) ensure that its directors and executive officers are familiar with the disclosure requirements and Corporate Disclosure Policy.</p> <p>Rule 704 also contains a list of scenarios that must be immediately announced by the issuer.</p> <p>Appendix 7.1 (Corporate Disclosure Policy) Part V – Confidentiality</p> <p>Under paragraph 12, where an issuer relies on Rule 703(3) to temporarily withhold material information, the strictest confidentiality must be maintained. Access to the information should be restricted, to the extent possible, to the highest possible levels of management and should be disclosed to officers, employees and others only on a need-to-know basis. Distribution of paperwork and other data should be kept to a minimum.</p>	<p>flux, which is subject to rapid change, may be temporarily withheld to prevent misleading the market with inconsistent updates, especially when stabilization is imminent.</p> <p>Both the Listing Requirements and SGX Listing Manual emphasise the importance of maintaining confidentiality and ensuring that disclosure is not unreasonably delayed or withheld. If confidentiality is compromised (such as, where unusual market activity or rumours indicate that material information has been leaked or there are signs of insider trading), issuers must make an immediate announcement to prevent market speculation and misinterpretation.</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>Listing Requirements, if the following circumstances occurs:</p> <p>(a) unusual market activity in the listed issuer's securities which signifies that a "leak" of the information may have occurred;</p> <p>(b) rumours or reports concerning the information have appeared; or</p> <p>(c) where the listed issuer learns that there are signs that insider trading may be taking place.</p> <p>Under Paragraph 9.08, (1) A listed issuer must release material information to the public in a manner designed to obtain its fullest possible public dissemination.</p> <p>(2) A listed issuer must ensure that no disclosure of material information is made on an individual or selective basis to analysts, shareholders, journalists or other persons unless such information has previously been fully disclosed and disseminated to the public. If material information is inadvertently disclosed at any meetings with analysts, shareholders, journalists or others, it must be publicly disseminated as promptly as possible.</p> <p>(3) There may be limited circumstances where selective disclosure of material information is necessary, for example where the listed issuer is undertaking a corporate exercise or to facilitate a due diligence exercise. In such circumstances, the listed issuer must ensure that:</p> <p>(a) the disclosure is restricted to only relevant persons;</p>	<p>Under paragraph 14, during this period, the issuer should keep a close watch on the trading activity of its securities and be prepared to make an immediate public announcement if necessary.</p> <p>Part II – Issuers' obligations under Rule 703</p> <p>Under paragraph 3, it is stated that under Rule 703, an issuer must disclose information:— (a) necessary to avoid the establishment of a false market in its securities. A false market may exist if information is not made available that would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, or buy or sell the securities. For this reason, an issuer may be required to clarify or confirm a rumour (see "Clarification or Confirmation of Rumours or Reports" below); or (b) that would be likely to have a material effect on the price or value of securities of that issuer.</p> <p>Part VI – Clarification or Confirmation of Rumours or Reports</p> <p>Under paragraph 15, public circulation of information, whether by an article published in a newspaper, by a broker's market letter, or by word-of-mouth, either correct or false, which has not been substantiated by the issuer and which is likely to have, or has had, an effect on the price of the issuer's listed securities or would be likely to have a bearing on investment decisions must be clarified or confirmed promptly.</p> <p>Under paragraph 16, if rumours indicate that material information has been leaked, a frank and explicit announcement is required. This is because one of the conditions for withholding information, i.e.</p>	

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>(b) the strictest confidentiality is maintained; and</p> <p>(c) the requirements in paragraph 9.07 are complied with.</p> <p>(4) If the disclosure is made immediately before or during trading hours, the Exchange may impose a temporary halt or suspension in trading of the listed issuer's securities to facilitate dissemination and evaluation of the information released.</p> <p>(5) Any public disclosure of material information must be made by an announcement first to the Exchange or simultaneously to the Exchange, the press and newswire services. For the avoidance of doubt, a listed issuer must not release any material information to the media even on an embargoed basis until it has given the information to the Exchange.</p> <p>Under Paragraph 9.09, whenever a listed issuer becomes aware of any rumour or report, true or false, that contains material information, the listed issuer must make due enquiry and immediately publicly clarify, confirm or deny the rumour or report. The listed issuer must publicly clarify any rumour or report circulated by any means including by word-of-mouth, an article published in a newspaper, newswire, magazine, a broker's market report or any other publication.</p> <p>Under Paragraph 9.10(1), a listed issuer must respond to a rumour or report by making an immediate announcement to the Exchange if the rumour or report contains erroneous material</p>	<p>confidentiality of the information, is no longer fulfilled. If rumours are in fact false or inaccurate, they should be promptly denied or clarified. A statement to the effect that the issuer knows of no corporate developments that could account for the unusual market activity can have a salutary effect. In addition, a reasonable effort should be made to bring the announcement to the attention of the party that initially distributed the information (in the case of an erroneous newspaper article, for example, by sending a copy of the announcement to the newspaper's financial editor, or in the case of an erroneous market letter, by sending a copy to the broker responsible for the letter). If rumours are correct or there are developments, an immediate statement to the public as to the state of negotiations or corporate plans in the rumoured area must be made. Such statements are essential despite the business inconvenience which may result, even if the matter had yet to be presented to the issuer's board of directors for consideration.</p> <p>Under paragraph 17, in the case of a rumour or report predicting future sales, earnings or other data, no response from the issuer is ordinarily required. However, the issuer must make a prompt announcement so that the market remains properly informed if the rumour or report is materially incorrect and may mislead investors, or is specific enough to suggest that information came from an inside source, or the market moves in a way that appears to be referable to the rumour or report.</p> <p>Under paragraph 21, material information must be disclosed when it arises, even if during trading hours. The SGX-ST will expect the issuer to request a trading halt to facilitate the dissemination of the material</p>	

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>information, a denial or clarification of the rumour or report together with facts sufficient to support the denial or to clarify any misleading aspects of the rumour or report. The listed issuer must also take reasonable effort to bring the announcement to the attention of the party that initially distributed the erroneous rumour or report; and if the rumour or report contains material information that is correct, a confirmation of the rumour or report together with the facts of the matter and an indication of the state of negotiations or of corporate plans in the rumoured area. Such announcements are essential even if the matter has yet to be presented to the listed issuer's board of directors for consideration.</p> <p>Under Paragraph 9.10(2), in the case of a rumour or report predicting future sales, earnings or other quantitative data, a listed issuer is not ordinarily required to provide a response. However, if such a report is manifestly based on or contains erroneous information, or is wrongly attributed to the listed issuer, the listed issuer must respond promptly to the supposedly factual elements of the rumour or report as required under paragraph 9.09 and this paragraph 9.10; and include in the announcement, a statement to the effect that the listed issuer itself has made no such prediction and it is unaware of any facts that would justify making such a prediction.</p>	<p>information during trading hours. As a guide, a trading halt requested for dissemination of material information will last at least 30 minutes after the release of the material information, or such other period as the SGX-ST considers it appropriate. The request for a trading halt, and the request for the lifting of a trading halt, must be announced. There must be at least 15 minutes of dissemination time for an announcement on the request for the lifting of trading halt, before trading resumes. The issuer may request a temporary suspension if it is unable to release the material information by the end of the trading halt. Otherwise, the SGX-ST will consider whether a temporary suspension in trading of the issuer's securities is necessary to enable the material information to be properly disseminated. As a guide, the temporary suspension may last 30 minutes after the announcement has been released to the SGX-ST, or such other period as the SGX-ST considers it appropriate. The request for a suspension in trading, and the request for the resumption of trading from suspension, must be announced. There must be at least 30 minutes of dissemination time for an announcement on the request for the resumption of trading from suspension, before trading resumes.</p> <p>Further to paragraph 23, SGX-ST recommends that issuers observe an "open door" policy in dealing with analysts, journalists, stockholders and others. However, under no circumstances should disclosure of material information be made on an individual or selective basis to analysts, stockholders, or other persons unless such information has previously been fully disclosed and disseminated to the public. If material information is inadvertently disclosed at meetings with analysts or others, it must be publicly</p>	

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
	<p>disseminated as promptly as possible by the means described in Part VIII of Appendix 7.1 (Corporate Disclosure Policy).</p> <p>Under Paragraph 24, the SGX-ST recognises that there may be limited instances where selective disclosure is necessary. One example is the pursuit of the issuer's business or corporate objectives, such as when the issuer is undertaking a major corporate exercise. Another example is due diligence when the issuer is the subject of an acquisition. In these circumstances, selective disclosure may be required to facilitate the exercise. However, such disclosure should be made on a need-to-know basis and subject to appropriate confidentiality restraints.</p>	
Chapter 9 Part F – Response to unusual market activity	Appendix 7.1 – Corporate Disclosure Policy Part VII – Unusual Trading Activity	
<p>Under Paragraph 9.11, where unusual price movement, trading activity, or both (“unusual market activity”) occurs, the listed issuer must immediately undertake a due enquiry to seek the cause of the unusual market activity in its securities. The listed issuer must consider in particular whether there is any information concerning the listed issuer which would account for the unusual market activity that –</p> <p>(a) has recently been publicly disclosed;</p> <p>(b) has not been publicly disclosed (in which case the unusual market activity may signify that a “leak” has occurred); or</p>	<p>Under paragraph 18, where unusual trading activity in an issuer's securities occurs without any apparent publicly available information which could account for the activity, it may signify trading by persons who are acting on unannounced material information or on a rumour or report, whether true or false. Unusual market activity may not be traceable either to insider trading or to a rumour or report. Nevertheless, the market activity itself may be misleading to investors, who may assume that a sudden and appreciable change in the price of the issuer's securities reflects a corresponding change in its business or prospects.</p> <p>Under paragraph 19, unusual trading volume, even when not accompanied by a significant change in price, tends to encourage rumours and give rise to</p>	<p>Both the Listing Requirements and SGX Listing Manual require issuers to monitor unusual market/trading activity and be guided by the following key principles:</p> <p>(i) if unusual market/trading activity results from material information that has already been publicly disclosed, issuers generally not required to make further announcement. However, if market activity indicates that there are misinterpretations of such information, under the Listing Requirements, issuers</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>(c) is the subject matter of a rumour or report.</p> <p>If the listed issuer determines that the unusual market activity results from material information that has already been publicly disclosed pursuant to these Requirements, the listed issuer is generally not required to make further announcement. However, if the unusual market activity indicates that such information may have been misinterpreted, the listed issuer must issue a clarifying announcement to the Exchange.</p> <p>If the cause of the unusual market activity cannot be determined, the listed issuer must announce that there have been no undisclosed developments which would account for the unusual market activity.</p>	<p>excessive speculative trading activity which may be unrelated to actual developments in the issuer's affairs.</p> <p>Pursuant to paragraph 20, in such situations, the issuer should undertake a review to seek the causes of the unusual trading activity in its securities. The issuer should consider whether any information about its affairs, which would account for the activity, has recently been publicly disclosed, whether there is any material information that has not been publicly disclosed (in which case, the unusual trading activity may signify that a "leak" has occurred), and whether the issuer is the subject of a rumour or report. The issuer should respond promptly to any enquiries made by the SGX concerning the unusual trading activity and may be guided by the following:—</p> <p>(a) If the issuer determines that the unusual trading activity results from material information that has been publicly disseminated via SGXNET, generally no further announcement is required. However, if the market activity indicates that such information may have been misinterpreted, it may be helpful, after discussion with the Exchange, to issue an announcement to clarify the matter;</p> <p>(b) If the unusual trading activity results from the "leak" of material information, the information in question must be announced promptly. If the unusual trading activity results from a false rumour or report, the Exchange's policy on correction of such rumours and reports, (discussed in "Clarification or Confirmation of Rumours or Reports") should be observed; and</p>	<p>must issue an announcement to clarify the matter, while the guidelines under the SGX Listing Manual state that it may be helpful, after discussion with the SGX-ST, for issuers to issue an announcement to clarify the matter;</p> <p>(ii) if unusual market/trading activity results from leak of material information, issuers must announce the information in question promptly; and</p> <p>(iii) if the cause of the unusual market/trading activity cannot be determined, under the Listing Requirements, issuers shall or are typically suggested to announce that there have been no undisclosed developments which would account for the unusual market/trading activity, while under the SGX Listing Manual, the SGX may suggest that the issuer make a public announcement to the same effect.</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
	(c) If the issuer is unable to determine the cause of the unusual trading activity, the Exchange may suggest that the issuer makes a public announcement to the effect that there have been no undisclosed recent developments affecting the issuer or its affairs which would account for the unusual trading activity.	
Chapter 10 Part E – Related Party Transactions	Chapter 9 – Interested Person Transactions	
<p>A “related party transaction” is defined in Paragraph 10.02 as a transaction entered into by the listed issuer or its subsidiaries which involves the interest, direct or indirect, of a related party. Paragraph 10.02 provides that the following types of transactions are included:</p> <ul style="list-style-type: none"> • the acquisition, disposal or leasing of assets; • the establishment of joint ventures; • the provision of financial assistance; • the provision or receipt of services; or • any business transaction or arrangement entered into, <p>by a listed issuer or its subsidiaries and excludes transactions entered into between a listed issuer (or any of its wholly-owned subsidiaries) and its wholly-owned subsidiary.</p> <p>Paragraph 1.01 defines a “related party” in relation to a corporation as a director, major shareholder or person connected with such director or major shareholder.</p>	<p>An “interested person transaction” is defined in Rule 904(5) as a transaction between an entity at risk and an interested person.</p> <p>A “transaction” is defined in Rule 904(6) as including the following:</p> <ul style="list-style-type: none"> (a) the provision or receipt of financial assistance; (b) the acquisition, disposal or leasing of assets; (c) the provision or receipt of goods or services; (d) the issuance or subscription of securities; (e) the granting of or being granted options; and (f) the establishment of joint ventures or joint investments; <p>whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).</p> <p>An “interested person”, in the case of a company, is defined in Rule 904(4)(a) as:</p> <ul style="list-style-type: none"> (i) a director, chief executive officer, or controlling shareholder of the issuer; or 	<p>The definition of “<i>person connected</i>” in the Listing Requirements and “<i>associate</i>” in the SGX Listing Manual has different threshold of collective interest of 20% (in the case of Listing Requirements) and 30% (in the case of SGX Listing Manual) for determination of any body corporate / company being deemed as person connected or associate (as the case may be) and that under the Listing Requirements “<i>related party</i>” includes major shareholder who, among others, holds 10% or more voting shares in the company whilst in the SGX Listing Manual “<i>interested person</i>” includes a controlling shareholder who, among others, holds 15% or more voting shares in the company.</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>A “major shareholder” means a person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is –</p> <p>(a) 10% or more of the total number of voting shares in the corporation; or</p> <p>(b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.</p> <p>For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in section 8 of the MCA.</p> <p>Paragraph 10.02 further defines a “major shareholder” includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon a major shareholder of the listed issuer as defined under Paragraph 1.01 or any other corporation which is its subsidiary or holding company.</p> <p>A “person connected” with such director or major shareholder means such person who falls under any one (1) of the following categories:</p> <p>(a) a family member of the director or major shareholder, being the:</p> <p>(i) spouse;</p> <p>(ii) parent;</p> <p>(iii) child including an adopted child and step-child;</p> <p>(iv) brother or sister; or</p>	<p>(ii) an associate (see definition below) of any such director, chief executive officer, or controlling shareholder.</p> <p>An “entity at risk” is defined in Rule 904(2) as:</p> <p>(a) the issuer;</p> <p>(b) a subsidiary of the issuer that is not listed on the SGX-ST or an approved exchange; or</p> <p>(c) an associated company of the issuer that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company.</p> <p>An “associate”, in the case of a company, is defined in the Definitions and Interpretation Section of the SGX Listing Manual as:</p> <p>(a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:—</p> <p>(i) his immediate family;</p> <p>(ii) the trustees 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</p> <p>(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;</p>	

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>(v) spouse of the person referred to in subparagraphs (iii) and (iv) above.</p> <p>(b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the director, major shareholder, or a family member of the director, major shareholder, is the sole beneficiary;</p> <p>(c) a partner of the director, major shareholder;</p> <p>(d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director or major shareholder;</p> <p>(e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the director or major shareholder is accustomed or is under an obligation, whether formal or informal, to act;</p> <p>(f) a body corporate in which the director or major shareholder, or persons connected with the director or major shareholder are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or</p>	<p>(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;</p> <p>A “substantial shareholder” is defined in Section 81(1) of the SCA when:</p> <p>(a) the person has an interest or interests in one or more voting shares in the company; and</p> <p>(b) 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 in the company.</p> <p>A “controlling shareholder” is defined in the Definitions and Interpretation Section of the SGX Listing Manual as a person who:</p> <p>(a) holds directly or indirectly 15% or more of the total voting rights in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or</p> <p>(b) in fact exercises control over a company.</p>	

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>(a) a body corporate which is a related corporation of the director or major shareholder.</p> <p>A “transaction” for Part E of the Listing Requirements is defined in Paragraph 10.02 means:</p> <p>(a) the acquisition, disposal or leasing of assets; (b) the establishment of joint ventures; (c) the provision of financial assistance; (d) the provision or receipt of services; or (e) any business transaction or arrangement entered into, by a listed issuer or its subsidiaries; and</p> <p>excludes transactions entered into between a listed issuer (or any of its wholly-owned subsidiaries) and its wholly-owned subsidiary.</p>		
<p><u>(A) Announcement Requirement</u></p> <p>Where any one of the percentage ratios of a related party transaction is 0.25% or more, a listed issuer must announce the related party transaction to Bursa Securities as soon as possible after terms of the transaction have been agreed, unless:</p> <p>(a) the value of the consideration of the transaction is less than RM500,000; or</p> <p>(b) it is a related party transaction which is recurrent, of a revenue or trading nature and</p>	<p><u>(A) Announcement Requirement</u></p> <p>Rule 905(1) states that an issuer must make an immediate announcement of any interested person transaction of a value equal to, or more than, 3% of the group's latest audited net tangible assets.</p> <p>Rule 905(2) states that if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group's latest audited net tangible assets, the issuer must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year.</p>	<p>The Listing Requirements has a lower disclosure threshold of 0.25% as compared to the SGX Listing Manual which sets a higher disclosure threshold of 3%. The value of consideration threshold for the inapplicability of the announcement is less than RM500,000 for the Listing Requirements while the SGX Listing Manual states that Rule 905 of the SGX Listing Manual is not applicable to any transaction below S\$100,000.</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>which is necessary for its day-to-day operations of a listed issuer or its subsidiaries ("Recurrent Related Party Transaction").</p> <p>"percentage ratios" means the figures, expressed as a percentage, resulting from each of the following calculations:</p> <ul style="list-style-type: none"> (i) the value of the assets which are the subject matter of the transaction, compared with the net assets of the listed issuer; (ii) net profits of the assets which are the subject matter of the transaction, compared with the net profits attributable to the owners of the listed issuer (before other comprehensive income or loss); (iii) the aggregate value of the consideration given or received in relation to the transaction, compared with the net assets of the listed issuer; (iv) the number of shares issued by the listed issuer as consideration for an acquisition, compared with the total number of shares previously in issue (excluding treasury shares); (v) the aggregate value of the consideration given or received in relation to the transaction, compared with the market value of all the ordinary shares of the listed issuer (excluding treasury shares); (vi) the total assets which are the subject matter of the transaction compared with the total assets of the listed issuer; (vii) in respect of joint ventures, business transactions or arrangements, the total project cost attributable to the listed issuer 	<p>Rule 905(3) states that Rules 905(1), (2) do not apply to any transaction below S\$100,000.</p> <p>Rule 905(5) states that while transactions below S\$100,000 are not normally aggregated under Rule 905(3), the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction in accordance with Rule 902.</p> <p>If the group's latest audited net tangible assets is negative, the issuer should consult the SGX-ST on the appropriate benchmark to calculate the relevant thresholds in Rule 905(1) and 905(2), which may be based on its market capitalisation.</p>	

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>compared with the total assets of the listed issuer or in the case where a joint venture corporation is incorporated as a result of the joint venture, the total equity participation of the listed issuer in the joint venture corporation (based on the eventual issued capital of the joint venture corporation) compared with the net assets of the listed issuer. The value of the transaction should include shareholders' loans and guarantees to be given by the listed issuer;</p> <p>(viii) the aggregate original cost of investment of the subject matter of the transaction divided by the net assets of the listed issuer, in the case of a disposal and where the acquisition of the subject matter took place within last 5 years; or</p> <p>(ix) in respect of a transaction entered into by a real estate investment trust ("REIT"), the value of the transaction, compared with the total asset value of the REIT.</p>		
<p><u>(B) Shareholder Approval</u></p> <p>A listed issuer must obtain shareholder approval of the related party transaction in general meeting where any one of the percentage ratios of a related party transaction is 5% or more unless the value of the consideration of the related party transaction is less than RM500,000.</p> <p>A listed issuer must appoint an independent adviser who is a corporate finance adviser within the meaning of the SC's Principal Adviser Guidelines, before the terms of the transaction are agreed upon.</p>	<p><u>(B) Shareholder Approval</u></p> <p>Under Rule 906(1), an issuer must obtain shareholder approval for any interested person transaction of a value equal to, or more than:-</p> <p>(a) 5% of the group's latest audited net tangible assets; or</p> <p>(b) 5% of the group's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by</p>	<p>Both the Listing Requirements and SGX Listing Manual have similar requirements for shareholder approval. The SGX Listing Manual impose a threshold of 5% or more based on net tangible assets, whereas the Listing Requirements allow for a listed issuer to apply any one of the percentage ratios, where the percentage ratio is 5% or more unless the value of the consideration of the related party transaction is less than RM500,000.</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>A listed issuer may seek a mandate from its shareholders for Recurrent Related Party Transactions, but not in respect of transactions out of the listed issuer's ordinary course of business. A shareholder mandate is subject to annual renewal.</p> <p>In a meeting to obtain shareholder approval, an interested related party and persons connected with it must abstain from voting on the resolution in respect of the related party transaction.</p>	<p>shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.</p> <p>Under Rule 906(2), Rule 906(1) does not apply to any transaction below S\$100,000.</p> <p>While transactions below \$100,000 are not normally aggregated, the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction in accordance with the objectives of Chapter 9 of the SGX Listing Manual and the economic and commercial substance of the interested person transaction, instead of legal form and technicality.</p> <p>Under Rule 918, if a transaction requires shareholder approval, it must be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.</p> <p>Under Rule 919, in a meeting to obtain shareholder approval, the interested person and any associate of the interested person must not vote on the resolution, nor accept appointments as proxies unless specific instructions as to voting are given.</p> <p>An issuer may seek a general mandate from shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.</p>	

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
	Rule 920(1)(b)(viii) further states that a circular to shareholders seeking a general mandate must include a statement that the interested person will abstain, and has undertaken to ensure that its associates will abstain, from voting on the resolution approving the transaction.	
<p><u>C) Disclosure of Recurrent Related Party Transactions in Annual Report</u></p> <p>A listed issuer must disclose the aggregate value of Recurrent Related Party Transactions conducted pursuant to the shareholder mandate during the financial year where the aggregate value is equal to or more than the thresholds prescribed under the Listing Requirements.</p>	<p><u>(C) Disclosure of Interested Person Transactions in Annual Report</u></p> <p>An issuer must disclose the aggregate value of interested person transactions entered into during the financial year under review in its annual report. The name of the interested person, nature of relationship and the corresponding aggregate value of the interested person transactions entered into with the same interested person must be presented.</p>	Both the Listing Requirements and the SGX Listing Manual require the disclosure of recurrent related party transactions and interested person transactions respectively in a listed issuer's annual report.
<p><u>Paragraph 6.06 – Allotment of shares to directors etc</u></p> <p>(1) Subject to subparagraph (1A), a listed issuer must ensure that it or any of its subsidiaries does not issue shares or other convertible securities to the following persons unless shareholders in general meeting have approved the specific allotment to be made to such persons:</p> <p>(a) a director, major shareholder or chief executive of the listed issuer or a holding company of the listed issuer (“interested director”, “interested major shareholder” and “interested chief executive”); or</p>	<p><u>Chapter 8 Part II – General Requirements for an Issue of Securities</u></p> <p>Under Rule 804, except in the case of an issue made on a pro rata basis to shareholders or a scheme referred to in Part VIII of this Chapter, no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in general meeting have approved the specific allotment. Such directors and associates must abstain from exercising any voting rights on the matter. The notice of the meeting must state:-</p> <p>(1) the number of securities to be allotted to each director and associate;</p>	Both the Listing Requirements and the SGX Listing Manual provides for the procedures in relation to any allotment of shares to its directors by a listed issuer, as well as the scope and restrictions in connection thereof to any such allotment.

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>(b) a person connected with an interested director, interested major shareholder or interested chief executive ("interested person connected with a director, major shareholder or chief executive").</p> <p>(2) Notwithstanding any provision to the contrary in the Listing Requirements, in a meeting to obtain shareholder approval in respect of the allotment referred to under subparagraph (1) above –</p> <p>(a) the interested director, interested major shareholder, interested chief executive or interested person connected with a director, major shareholder or chief executive; and</p> <p>(b) where the allotment is in favour of an interested person connected with a director, major shareholder or chief executive, such director, major shareholder or chief executive,</p> <p>must not vote on the resolution approving the said allotment. An interested director interested major shareholder or interested chief executive must ensure that persons connected with him abstain from voting on the resolution approving the said allotment.</p> <p>(3) A listed issuer must include the following in the notice of meeting:</p>	<p>(2) the precise terms of the issue; and</p> <p>(3) that such directors and associates will abstain from exercising any voting rights on the resolution.</p> <p>Under Rule 812(1), an issue of shares must not be placed to any of the following persons:-</p> <p>(a) The issuer's directors and substantial shareholders.</p> <p>(b) Immediate family members of the directors and substantial shareholders.</p> <p>(c) Substantial shareholders, related companies (as defined in Section 6 of the Companies Act), associated companies and sister companies of the issuer's substantial shareholders.</p> <p>(d) Corporations in whose shares the issuer's directors and substantial shareholders have an aggregate interest of at least 10%.</p> <p>(e) Any person who, in the opinion of the SGX-ST, falls within category (a) to (d).</p> <p>Under Rule 812(2), Rule 812(1) will not apply if specific shareholder approval for such a placement has been obtained. The person, and its associates, must abstain from voting on the resolution approving the placement.</p>	

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>(a) the number of securities to be so allotted;</p> <p>(b) the purpose of allotment;</p> <p>(c) the precise terms and conditions of the allotment; and</p> <p>(d) the identity and relationship of the persons connected with the director, major shareholder or chief executive, where applicable.</p> <p>Under Paragraph 6.06 (4) , except in the case of an issue of securities on a pro rata basis to shareholders and subject to subparagraph (1) above, a listed issuer must ensure that its subsidiary does not issue shares or other convertible securities to a director, major shareholder or chief executive of the said subsidiary or the holding company of the said subsidiary (other than the listed issuer or a holding company of the listed issuer) or a person connected with such director, major shareholder or chief executive unless-</p> <p>(a) the listed issuer has obtained the prior approval of its board of directors for the specific allotment to such persons;</p> <p>(b) the board of directors of the listed issuer has ensured that the allotment is fair and reasonable to the listed issuer and in the best interests of the listed issuer; and</p> <p>(c) the listed issuer immediately announces the specific allotment to such persons and includes in the announcement:</p>		

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>(i) the information prescribed in subparagraph (3) above; and</p> <p>(ii) a statement by the board of directors of the listed issuer that the allotment is fair and reasonable to the listed issuer and in the best interests of the listed issuer. Where a director disagrees with such statement, a statement by the director setting out the reasons and the factors taken into consideration in forming that opinion.</p>		
Chapter 10 Part D – Acquisitions and Disposals	Chapter 10 – Significant Transactions	
<p>Pursuant to Chapter 10 of the Listing Requirements, certain acquisitions and disposals by the listed issuer and its subsidiaries require announcements and/or shareholders' approval, depending on the percentage ratios of a transaction.</p> <p>Provided that the transaction is not a related party transaction, where all the percentage ratios of a transaction are less than 5% and the consideration is satisfied in cash or unquoted securities, no announcement of the transaction to Bursa Securities is required.</p> <p>Where any one of the percentage ratios of a transaction is 5%, or more, the listed issuer must announce the transaction to Bursa Securities as soon as possible after terms of the transaction have been agreed.</p>	<p>Pursuant to Chapter 10 of the SGX Listing Manual, certain acquisitions and disposals by the issuer require announcements and/or shareholders' approval (with an accompanying circular), depending on the relative figures of a transaction as calculated on five (5) bases of assessment.</p> <p>Rule 1004 states that there are four (4) classifications of transactions, with each classification having its own rules with regards to the above paragraph:</p> <p>(a) non-disclosable transactions;</p> <p>(b) disclosable transactions;</p> <p>(c) major transactions; and</p> <p>(d) very substantial acquisitions or reverse takeovers.</p>	<p>While both chapters aim to regulate significant transactions and ensure fair treatment of shareholders, the Listing Requirements is broader in scope, including a detailed focus on related party transactions and other significant corporate dealings. In contrast, the SGX Listing Manual considers acquisitions and disposals as well as the provision of financial information, with clear thresholds for required disclosures and approvals.</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>Where any one of the percentage ratios of a transaction is 25% or more, in addition to the announcement, the listed issuer must issue a circular and seek shareholder approval of the transaction in a general meeting.</p> <p>All the above will not apply if the transaction is less than RM500,000.</p> <p>For the amount of the transaction, Bursa Securities has the authority to aggregate separate transactions and treat them as a single transaction if they were agreed upon within a 12-month period. Transactions that may be aggregated include those with the same party or connected parties, those involving the acquisition or disposal of securities or interests in a particular corporation or asset, and transactions involving the acquisition or disposal of contiguous parcels of land.</p> <p>A “transaction” for Part D of the Listing Requirements is defined in Paragraph 10.02 means the acquisition or disposal of assets by a listed issuer or its subsidiaries and includes any of the following actions undertaken by a listed issuer:</p> <p>(a) disposing of; or</p> <p>(b) granting, accepting, exercising or discharging an option or any other right or obligation, present or future, conditional or unconditional, to dispose of,</p>	<p>“Transaction” refers to the acquisition or disposal of assets, or the provision of financial assistance, by an issuer or a subsidiary that is not listed on the SGX-ST or an approved exchange, including an option to acquire or dispose of assets. It excludes a transaction which is in, or in connection with, the ordinary course of its business or of a revenue nature. It also excludes the provision of financial assistance to the issuer, or its subsidiary or associated company.</p> <p>An acquisition can be regarded as part of the ordinary course of an issuer’s business if the asset acquired is part of the issuer’s existing principal business, or the acquisition does not change the issuer’s risk profile.</p> <p>The following are indications that an acquisition would change the risk profile of an issuer:</p> <p>(a) notwithstanding Rule 1002(3)(c) of the SGX Listing Manual, a proposed acquisition will result in reduction of the issuer’s net profits or net asset value by 20% or more, based on the latest audited financial statements, and assuming that the proposed acquisition had been effected at the end of that financial year;</p> <p>(b) the asset proposed to be acquired is loss-making or is in a net liability position;</p> <p>(c) the proposed acquisition will have a significant adverse impact on the issuer’s gearing;</p>	

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>a listed issuer's developmental rights, all or substantially all its rights, benefits, or control in an asset, but excludes transactions of a revenue nature in the ordinary course of business and transactions entered into between a listed issuer (or any of its wholly-owned subsidiaries) and its wholly-owned subsidiary.</p>	<p>(d) the proposed acquisition will result in an expansion into a new jurisdiction that will expose the issuer to significant new risks; or</p> <p>in the case of a mineral, oil and gas company, a proposed acquisition will result in an expansion into a new resource or commodity type, or into a new jurisdiction. The exploration and extraction methods of different types of minerals, oil and gas are different. Minerals, oil and gas resources are also necessarily situated in specific geographical areas, which may be subject to specific licensing or regulatory regimes. An expansion into a new resource or commodity type, or into a new jurisdiction, is likely to require a reconsideration of the applicable risks.</p> <p>A disposal of an issuer's business (or a substantial part of its business) will usually not be considered to be in the ordinary course of business.</p> <p>"Relative figures" means figures computed on the following bases:</p> <p>(a) The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.</p> <p>(b) The net profits attributable to the assets acquired or disposed of, compared with the group's net profits.</p> <p>(c) The aggregate value of the consideration given or received, compared with the issuer's market</p>	

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
	<p>capitalisation based on the total number of issued shares excluding treasury shares.</p> <p>(d) The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.</p> <p>(e) The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the SGX-ST may permit valuations to be used instead of volume or amount.</p> <p>Further to Rule 2005, the SGX-ST may aggregate separate transactions completed within the last 12 months and treat them as one transaction.</p>	
Chapter 10 Part F – Very Substantial Transaction and Significant Change in the Business Direction or Policy	Chapter 10 Part VIII – Very Substantial Acquisitions or Reverse Takeovers	
Where a transaction is a very substantial transaction, which means that it is a disposal or acquisition of an asset where any of the percentage ratios is 100% or more, except an acquisition which will result in a significant change in the business direction or policy of a listed corporation, both an announcement and shareholders' circular would be required.	<p>Rule 1004(d) provides for very substantial acquisitions (“VSA”) or reverse takeovers (“RTO”).</p> <p>Rule 1015(1)(a) states that where an acquisition of assets (whether or not the acquisition is deemed in the issuer's ordinary course of business) is one where any of the relative figures as computed on the bases set out in Rule 1006 is 100% or more, or is one which will result in a change in control of the issuer, the</p>	While both provisions deal with major corporate transactions that require shareholder approval and independent advice, the SGX Listing Manual provision applies to very substantial acquisitions and reverse takeovers, whereas the Listing Requirements focus on very substantial transactions and any

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>Where a transaction will result in a significant change in the business direction or policy of the listed issuer, the listed issuer must first procure the SC's approval for the transaction and comply with the SC's Equity Guidelines.</p> <p>Bursa Securities may aggregate separate transactions and treat such transactions as if they were as one transaction if the terms of such transactions were agreed upon within a period of twelve (12) months.</p>	<p>transaction is classified as a very substantial acquisition or reverse takeover respectively.</p> <p>Rule 1015(1)(a) also states that the issuer must announce the information required in Rules 1010, 1011, 1012 and 1013, where applicable, as well as the latest three (3) years of proforma financial information of the assets to be acquired.</p> <p>Rule 1015(5) states that a shareholders' circular is also required.</p>	<p>significant changes in the company's business direction or policy.</p>
Chapter 10 Part F(A) – Major Disposal of Assets Resulting in Listed Issuers No Longer Suitable for Listing	Chapter 10 Part VII – Major Transactions	
<p>“Major Disposal” means a disposal of all or substantially all of a listed issuer's assets which may result in the listed issuer being no longer suitable for continued listing on the Official List.</p> <p>Paragraph 10.11A: Major Disposal</p> <p>(1) A listed issuer which intends to undertake a Major Disposal must:</p> <p>(a) appoint a main adviser, who is a Principal Adviser, before the terms of the Major Disposal are agreed upon;</p> <p>(b) appoint an independent adviser who is a corporate finance adviser within the meaning of the SC's Principal Adviser Guidelines;</p>	<p>The SGX Listing Manual does not have a definition of “major disposal”.</p> <p>However, where a disposal of assets is one where any of the relative figures as computed on the bases set out in Rule 1006 of the SGX Listing Manual exceeds 75%, the issuer must appoint a competent and independent valuer to value the assets to be disposed. The disposal would also be subject to the same requirements applicable to a major transaction (and would <i>inter alia</i> require the approval of shareholders in a general meeting).</p>	<p>The Listing Requirements address “major disposal” with assessment on whether such disposal of all and substantially all of a listed issuer's assets which may result in the listed issuer being no longer suitable for continued listing on the Official List.</p> <p>While the SGX Listing Manual does not specifically provide a definition of “major disposal”, Rule 1006 of the SGX Listing Manual provides the quantitative criteria to determine when a Company would have to appoint a competent and independent valuer to value the assets to be disposed.</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>(bA) ensure that a valuation is conducted on all its material real estate, if the total net book value of all the listed issuer's real estate contributes 50% or more to the total assets of the listed issuer on a consolidated basis;</p> <p>(c) include additional information set out in Part I of Appendix 10A and Part J of Appendix 10B respectively, in the announcement of the Major Disposal to Bursa Securities, and the circular issued to the shareholders or unit holders; and</p> <p>(d) convene a general meeting and obtain shareholder or unit holder approval of at least 75% of the total number of issued shares or units held by the shareholders or unit holders present and voting either in person or by proxy at the meeting for such Major Disposal.</p>		
Chapter 16 – Suspension, De-Listing and Enforcement	Chapter 13 – Trading Halt, Suspension and Delisting	
<p><u>Paragraph 16.02: Suspension of trading imposed by Bursa Securities</u></p> <p>(1) Bursa Securities may at any time suspend the trading of listed securities in any of the following circumstances:</p> <p>(a) in the event of any substantial corporate exercise or capital restructuring of a listed issuer including</p>	<p><u>Suspension</u></p> <p>Rule 1303 states that the SGX-ST may at any time suspend trading of the listed securities of an issuer in any of the following circumstances:</p> <p>(1) If the percentage of an issuer's total number of issued shares excluding treasury shares held in public hands falls below 10%, as provided in Rule</p>	<p>The Listing Requirements and SGX Listing Manual both provides for voluntary and enforced suspension and delisting.</p> <p>Both Bursa Securities and the SGX-ST enable trading halts for the announcement of material information with periods of trading</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>a scheme of arrangement, compromise, amalgamation or selective capital reduction;</p> <p>(b) in the event of a conversion exercise of singly quoted shares to shares which are separately quoted on the Official List;</p> <p>(c) where, in the opinion of Bursa Securities, it is necessary or expedient in the interest of maintaining an orderly and fair market in securities traded on Bursa Securities;</p> <p>(d) in any circumstances as provided in the Listing Requirements;</p> <p>(e) in the event of any breach of the Listing Requirements by a listed issuer, management company or trustee-manager;</p> <p>(f) upon notice by the SC to Bursa Securities that in its opinion a listed issuer, management company or trustee-manager has breached or has failed to comply with any provision of the securities laws or the SC's guidelines, or that it is necessary or expedient in the public interest and where it would be for the protection of investors;</p> <p>(g) in the event of maturity of a listed debt security, convertible security or structured warrant;</p> <p>(h) upon the suspension of the trading of such securities listed on another stock exchange;</p>	<p>723. In a take-over situation, where the Offeror succeeds in garnering acceptances exceeding 90% of the issuer's total number of issued shares excluding treasury shares, thus causing the percentage of an issuer's total number of issued shares excluding treasury shares held in public hands to fall below 10%, the SGX-ST will suspend trading of the listed securities of the issuer only at the close of the take-over offer;</p> <p>(2) Where there is a change in the issuer's assets that produces a situation where its assets consist wholly or substantially of cash or short-dated securities, as provided in Rule 1018;</p> <p>(3) Where the issuer is unable to continue as a going concern or unable to demonstrate to the SGX-ST and its shareholders that it is able to do so, including the following circumstances:</p> <p>(a) when an application is filed with a court to place the issuer (or significant subsidiary) under judicial management; or</p> <p>(b) when an application is filed with a court for the liquidation of the issuer (or significant subsidiary) and the amount of the debt alleged is significant; or</p> <p>(c) when the issuer is unable to reasonably assess its financial position and inform the market accordingly.</p> <p>(4) Where the issuer is unable or unwilling to comply with, or contravenes, a listing rule;</p>	<p>halt by Bursa Securities for one hour or until end of trading session of such period as Bursa Securities deems appropriate whereas SGX-ST limiting trading halts to three market days.</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>(i) upon the commencement of a voluntary winding-up of a listed issuer in accordance with the MCA;</p> <p>(iA) in relation to a listed issuer which is a collective investment scheme or business trust, upon the commencement of a winding-up of the collective investment scheme or business trust in accordance with the deed, the relevant guidelines issued by the SC or the CMSA; or</p> <p>(j) where Bursa Securities deems it appropriate for some other reason.</p> <p>(2) Subject to subparagraph (3) below, where the public security holding spread of a listed issuer is 10% or less of its total listed shares (excluding treasury shares) or listed units, Bursa Securities shall suspend trading of the securities of the listed issuer upon expiry of 30 market days from the date of immediate announcement by the listed issuer pursuant to –</p> <p>(a) paragraph 8.02(3); or</p> <p>(b) paragraph 9.19(48) where the listed issuer has announced that the offeror intends to maintain the listed issuer's listing status.</p> <p>In this regard, the suspension will only be uplifted upon the listed issuer's full compliance with the public security holding spread requirements under paragraph 8.02(1) or as may be determined by Bursa Securities.</p>	<p>(5) Where, in the opinion of the SGX-ST, it is necessary or expedient in the interest of maintaining a fair, orderly and transparent market;</p> <p>(6) Where, in the opinion of the SGX-ST, it is appropriate to do so; or</p> <p>(7) Where the SGX-ST releases an announcement in relation to the issuer which, in the opinion of the SGX-ST, is market sensitive.</p> <p>Further to Rule 1304, the issuer does not submit a proposal to SGX-ST within 12 months with a view to resuming trading in its securities, SGX-ST may remove the issuer from the Official List. If a resumption proposal is submitted, it has to be implemented within 6 months of submission, if not SGX-ST may remove the issuer from the Official List.</p> <p><u>Trading Halt</u></p> <p>Rule 1302(1) states that the SGX-ST may grant a trading halt to enable the issuer to disclose material information or suspend trading of the listed securities of an issuer at the request of the issuer. The SGX-ST is not required to act on the request.</p> <p>Rule 1302(2) states that the trading halt cannot exceed 3 market days or such short extension as SGX-ST agrees.</p> <p>Rule 1303(3) states that a trading halt may be changed to a suspension by SGX-ST at any time.</p>	

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>(3) Bursa Securities shall suspend trading of the securities of the listed issuer in relation to a takeover offer under the Take-Overs and Mergers Code, other than those effected by way of a scheme of arrangement, compromise, amalgamation or selective capital reduction, upon expiry of 5 market days from the close of the offer period if the listed issuer has made an announcement that the offeror does not intend to maintain the listed issuer's listing status pursuant to paragraph 9.19(48).</p> <p>(4) Bursa Securities will notify the SC of any decision to suspend the trading of any class of the listed securities of a listed issuer pursuant to subparagraphs (1)(c), (e) or (h) above.</p> <p><u>Paragraph 16.03: Voluntary suspension</u></p> <p>Bursa Securities may from time to time, at its discretion, suspend trading of the listed securities at the request of the listed issuer.</p> <p><u>Paragraph 16.04: Trading halt</u></p> <p>Without prejudice to the powers of Bursa Securities under paragraph 16.02, Bursa Securities may at any time, halt the trading of any listed securities upon – (a) the listed issuer releasing a material announcement; (b) Bursa Securities being notified that the trading of the securities or in the case of structured warrants, the underlying securities of the structured</p>		

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
warrant, is halted or suspended on the securities exchange where it is quoted.		
<p><u>De-listing</u></p> <p>Under Paragraph 16.11, Bursa Securities may at any time de-list a listed issuer or any listed securities from the Official List in any of the following circumstances:</p> <ul style="list-style-type: none"> • where the listed issuer fails to comply with the Listing Requirements, subject to consultation with the SC; • in other circumstances as provided under paragraphs 8.03, 8.03A, 8.04, 9.28 or paragraphs 2, 3, and 4 of Practice Note 29, upon which Bursa Securities will notify the SC of the same; • upon the de-listing of the listed issuer or the de-listing of such securities on another stock exchange; • in relation to a special purpose acquisition company, when it fails to complete a qualifying acquisition within 36 months from the date of its admission to Bursa Securities; or • where in the opinion of Bursa Securities, circumstances exist which do not warrant the continued listing of any listed securities, 	<p><u>Delisting</u></p> <p>Rule 1305 states that the SGX-ST may remove an issuer from its Official List (without agreement of the issuer) if:</p> <ol style="list-style-type: none"> (1) the issuer is unable or unwilling to comply with, or contravenes, a listing rule; (2) in the opinion of the SGX-ST, it is necessary or expedient in the interest of maintaining a fair, orderly and transparent market; (3) in the opinion of the SGX-ST, it is appropriate to do so; (4) the issuer has no listed securities; or (5) in relation to an issuer listed as a special purpose acquisition company ("SPAC"), any of the circumstances set out under Rules 210(11)(o) and (p) occurs. <p>Rule 1307 states that the SGX-ST may agree to an application by an issuer to delist from the SGX-ST if:-</p> <ol style="list-style-type: none"> (1) the issuer convenes a general meeting to obtain shareholder approval for the delisting; and (2) the resolution to delist the issuer has been approved by a majority of at least 75% of the total number of issued shares excluding treasury shares and subsidiary holdings held by the 	<p>Both the Listing Requirements and SGX Listing Manual provides for procedures for the delisting of a listed issuer, and circumstances under which Bursa Securities and the SGX-ST (as the case may be) may delist a listed issuer.</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>a listed issuer or any class of its listed securities, subject to consultation with the SC where applicable.</p> <p>Bursa Securities shall de-list a listed issuer in any one of the following circumstances:</p> <ul style="list-style-type: none"> • pursuant to a directive, requirement or condition imposed by the SC, after which Bursa Securities will notify the SC of the decision to de-list; • upon the maturity or expiry of a class of securities; • upon the commencement of a voluntary winding-up of a listed issuer in accordance with the MCA; • upon a winding-up order being made against a listed issuer; • upon the winding-up of a collective investment scheme or business trust in accordance with the deed, the relevant guidelines issued by the SC or the CMSA; • where a structured warrant has been fully exercised before expiry or maturity; or • in the case of a structured warrant, upon the de-listing of the underlying securities by the securities exchange where it is quoted. 	<p>shareholders present and voting, on a poll, either in person or by proxy at the meeting. The Offeror Concert Party Group must abstain from voting on the resolution.</p> <p>Rule 1308(1) states that Rules 1307 does not apply to a delisting pursuant to:</p> <p>(a) a voluntary liquidation;</p> <p>(b) an offer under the Singapore Code provided that the offeror is exercising its right of compulsory acquisition; or</p> <p>(c) in relation to an issuer listed as a SPAC, any of the circumstances set out under Rules 210(11)(o) and (p).</p> <p>Rule 1309(1) states that if an issuer is seeking to delist from the SGX-ST, an exit offer must be made to the issuer's shareholders and holders of any other classes of listed securities to be delisted. The exit offer must:</p> <p>(a) be fair and reasonable; and</p> <p>(b) include a cash alternative as the default alternative.</p> <p>Rule 1309(2) states that the issuer must appoint an independent financial adviser to advise on the exit offer and the independent financial adviser must opine that the exit offer is fair and reasonable.</p>	

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
Chapter 9 Part K – Periodic Disclosures	Chapter 7 Part III Equity Securities – Periodic Reports	
<p><u>Paragraph 9.22 - Quarterly report</u></p> <p>(1) A listed issuer must announce to Bursa Securities, an interim financial report that is prepared on a quarterly basis (“quarterly report”), as soon as the figures have been approved by the board of directors of the listed issuer, and in any event not later than 2 months after the end of each quarter of a financial year.</p> <p>(2) The listed issuer must include in the quarterly report, the information set out in Part A of Appendix 9B and any other information as may be required by Bursa Securities.</p>	<p><u>Quarterly Reporting</u></p> <p>Rule 705(2) states that an issuer must announce the financial statements for each of the first three quarters of its financial year (as set out in Appendix 7.2) immediately after the figures are available, but in any event not later than 45 days after the quarter end if:—</p> <p>(a) [Deleted]</p> <p>(b) [Deleted]</p> <p>(c) [Deleted]</p> <p>(d) its auditors have issued an adverse opinion, a qualified opinion or a disclaimer of opinion on the issuer's latest financial statements; or</p> <p>(e) its auditors have stated that a material uncertainty relating to going concern exists in the issuer's latest financial statements.</p> <p><u>Half-yearly Reporting</u></p> <p>Rule 705(3)(b) states that if an issuer is not required to comply with Rule 705(2), it must either:</p> <p>(i) announce the financial statements for each of the first three quarters of its financial year; or</p> <p>(ii) announce its first half financial statements,</p> <p>in each case immediate after the figures are available, but in any event not later than 45 days after the relevant financial period.</p>	<p>The SGX Listing Manual provides for a shorter deadline (45 days) for the submission of a listed issuer's quarterly report in comparison to the Listing Requirements (2 months). The SGX Listing Manual also provides for the requirement for a listed issuer exempted from complying with Rule 705(2) to submit a semi-annual report.</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
	Rule 705(1) states that an issuer must announce the financial statements for the full financial year (as set out in Appendix 7.2) immediately after the figures are available, but in any event not later than 60 days after the relevant financial period.	
<p><u>Paragraph 9.23 - Issue of annual report</u></p> <p>A listed issuer must issue its annual report that includes annual audited financial statements together with the auditors' and directors' reports of the listed issuer, to Bursa Securities and shareholders within 4 months from the close of the financial year of the listed issuer.</p> <p><u>Paragraph 9.25: Disclosure in annual report</u></p> <p>A listed issuer must set out separately in its annual report, the items set out in Part A of Appendix 9C unless certain prescribed conditions are met.</p>	<p><u>Annual Reports</u></p> <p>Rule 707(2) states that an issuer must issue its annual report to shareholders and the SGX-ST at least 14 days before the date of its annual general meeting.</p> <p>Rule 707(1) states that an issuer must hold its annual general meeting within four months from the end of its financial year.</p> <p>Rule 709 states that the annual report must contain the information required in Part III of Chapter 12 of the SGX Listing Manual.</p> <p>Further to Rule 709A, the annual financial statements must be (a) prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s"), or International Financial Reporting Standards ("IFRS"), or US Generally Accepted Accounting Principles ("US GAAP"); and (b) audited by certified public accountants in accordance with Singapore Standards on Auditing, International Standards on Auditing, or US Generally Accepted Auditing Standards, as the case may be.</p> <p>Rule 710 states that an issuer must describe in its annual report its corporate governance practices with specific reference to the principles and the provisions of the Code of Corporate Governance ("Code"). An issuer must comply with the principles of the Code.</p>	<p>The SGX Listing Manual imposes a slightly shorter deadline for issuance of an issuer's annual report and requires more detailed narrative disclosures in comparison to the Listing Requirements.</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
	<p>Where an issuer's practices vary from any provisions of the Code, it must explicitly state, in its annual report, the provision from which it has varied, explain the reason for variation, and explain how the practices it had adopted are consistent with the intent of the relevant principle.</p> <p>Rule 710A(2) states that an issuer must describe in its annual report its board diversity policy, including the following:</p> <ul style="list-style-type: none"> (a) the issuer's targets to achieve diversity on its board; (b) the issuer's accompanying plans and timelines for achieving the targets; (c) the issuer's progress towards achieving the targets within the timelines; and (d) a description of how the combination of skills, talents, experience and diversity of its directors serves the needs and plans of the issuer. 	
Chapter 6 Part C – General Requirements for New Issue of Securities	Chapter 8 Part II – General Requirements for an Issue of Securities	
<p><u>Paragraph 6.03(1) - General mandate for issue of securities</u></p> <p>Subject to paragraph 6.06 and notwithstanding the existence of a resolution pursuant to sections 75(1) and 76(1) of the MCA, or in relation to a foreign corporation, a resolution of a similar nature pursuant to the relevant laws of the place</p>	<p><u>Issue of securities with specific shareholder approval</u></p> <p>Rule 805(1)(a) states that except as provided in Rule 806 (see below), an issuer must obtain the prior approval of shareholders in general meeting for the issue of shares or convertible securities or the grant</p>	<p>Both the Listing Requirements and the SGX Listing Manual provides for the issuance of new securities issuance through a framework of general mandates and shareholder approval. Although there are similar principles, e.g. a 10% pricing discount cap and the need for</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>of incorporation, a listed issuer must not issue any shares or convertible securities if the total number of those shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding 12 months, exceeds 10% of the total number of issued shares (excluding treasury shares) of the listed issuer except where the shares or convertible securities are issued with the prior shareholder approval in a general meeting of the precise terms and conditions of the issue.</p> <p><u>Paragraph 6.04 - Issue of new securities under a general mandate</u></p> <p>Subject to paragraph 6.05, where issuance of shares or convertible securities is made pursuant to paragraph 6.03(1), the listed issuer must ensure the following:</p> <p>(a) shares are not priced at more than 10% discount to the weighted average market price of the shares for the 5 market days immediately before the price-fixing date;</p> <p>(b) for issue of convertible securities –</p> <p>(i) if the exercise or conversion price is fixed, such price is not more than 10% discount to the weighted average market price of the underlying shares for the 5 market days immediately before the price-fixing date; and</p>	<p>of options carrying rights to subscribe for shares of the issuer.</p> <p><u>Issue of securities under a general mandate</u></p> <p>Rule 806(1) states that approval by an issuer's shareholders under Rule 805(1) is not required if shareholders had, by ordinary resolution in a general meeting, given a general mandate to the directors of the issuer, either unconditionally or on such conditions to issue:—</p> <p>(a) shares; or</p> <p>(b) convertible securities; or</p> <p>(c) additional convertible securities issued pursuant to Rule 829, notwithstanding that the general mandate may have ceased to be in force at the time the securities are issued, provided that the adjustment does not give the holder a benefit that a shareholder does not receive; or</p> <p>(d) shares arising from the conversion of the securities in (b) and (c), notwithstanding that the general mandate may have ceased to be in force at the time the shares are to be issued.</p> <p>Rule 806(2) states that a general mandate must limit the aggregate number of shares and convertible securities that may be issued. The limit must be not more than 50% of the total number of issued shares excluding treasury shares and subsidiary holdings in each class, of which the aggregate number of shares</p>	<p>detailed disclosures, the SGX Listing Manual allows for a larger issuance limit of up to 50% under a general mandate compared to a limit of 10% under the Listing Requirements.</p> <p>The SGX Listing Manual requires that shareholders' approval be obtained for the issuance of shares unless there is a general mandate. It also provides that an issue of shares must not be priced at more than 10% discount to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed.</p> <p>Pursuant to the Listing Requirements, prior shareholder approval is only necessary for any issuance exceeding 10% of issued shares within 12 months.</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>(ii) if the exercise or conversion price is based on a formula, any discount in the price-fixing formula is not more than 10% of the weighted average market price of the underlying shares for the 5 market days immediately before exercise or conversion; and</p> <p>(c) securities are not placed to –</p> <p>(i) the interested director, interested major shareholder, interested chief executive or interested person connected with a director, major shareholder or chief executive (all as defined in paragraph 6.06); and</p> <p>(ii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.</p> <p><u>Paragraph 6.05: Issue of securities with specific shareholder approval</u></p> <p>Notwithstanding section 75(2) of the MCA, where an issue of shares or other convertible securities departs from any of the applicable requirements stipulated in paragraph 6.04, the listed issuer must obtain the prior shareholder approval in a general meeting for the precise terms and conditions of the issue, in particular on –</p> <p>(a) the issue, exercise or conversion prices of the securities or, in a situation where such prices are to be determined after the date of</p>	<p>and convertible securities issued other than on a pro rata basis to existing shareholders must be not more than 20% of the total number of issued shares excluding treasury shares and subsidiary holdings in each class. Unless prior shareholder approval is required under the SGX Listing Manual, an issue of treasury shares will not require further shareholder approval, and will not be included in the aforementioned limits.</p> <p>Rule 806(6) states that a general mandate remains in force until the earlier of the following:</p> <p>(a) the conclusion of the first annual general meeting of the issuer following the passing of the resolution. By an ordinary resolution passed at that meeting, the mandate may be renewed, either unconditionally or subject to conditions; or</p> <p>(b) it is revoked or varied by ordinary resolution of the shareholders in general meeting.</p> <p><u>Price of issued shares</u></p> <p>Rule 811(1) states that an issue of shares must not be priced at more than 10% discount to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed. If trading in the issuer's shares is not available for a full market day, the weighted average price must be based on the trades done on the preceding market day up to the time the placement agreement is signed.</p>	

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>shareholder approval, the basis or formula of determining such prices; and</p> <p>(b) the purposes of the issue and utilisation of proceeds.</p> <p>The above paragraphs apply to all new issues of securities by a listed issuer such as placements, rights issues, bonus issues, share issuance schemes, dividend reinvestment schemes, and issuances of debt securities, redeemable preference shares and convertible securities.</p>	<p>Rule 811(2) further adds that an issue of company warrants or other convertible securities is subject to the following requirements:—</p> <p>(a) if the conversion price is fixed, the price must not be more than 10% discount to the prevailing market price of the underlying shares prior to the signing of the placement or subscription agreement.</p> <p>(b) if the conversion price is based on a formula, any discount in the price-fixing formula must not be more than 10% of the prevailing market price of the underlying shares before conversion.</p> <p>Rule 811(3) states that Rule 811(1) and (2) is not applicable if specific shareholder approval is obtained for the issue of shares, company warrants or other convertible securities.</p>	
Chapter 15 – Corporate Governance	SCCG and SGX Listing Manual	
<p>Under Paragraph 15.01A, a listed issuer must –</p> <p>(a) have a fit and proper policy for the appointment and re-election of directors of the listed issuer and its subsidiaries;</p> <p>(b) ensure the policy addresses board quality and integrity and will aid the listed issuer to comply with paragraph 2.20A of these Requirements; and</p> <p>(c) make available the policy on its website.</p>	<p>Rule 210(5)(e) of the SGX Listing Manual states that the issuer must establish one or more committees as may be necessary to perform the functions of an audit committee, a nominating committee and a remuneration committee, with written terms of reference which clearly set out the authority and duties of the committees.</p> <p>Under provision 1.4 of the SCCG, 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,</p>	<p>Both the Listing Requirements and the SGX Listing Manual impose similar standards on corporate governance on a listed issuer, emphasizing on board quality, integrity, and accountability in director appointments and governance.</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
	<p>and a summary of each committee's activities, are disclosed in the company's annual report.</p> <p>Further, provision 1.1 of the SCCG states that 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.</p>	
<p>Under Paragraph 15.02, a listed issuer must ensure that at least -</p> <p>(a) 2 directors or 1/3 of the board of directors of a listed issuer, whichever is the higher, are independent directors; and</p> <p>(b) 1 director of the listed issuer is a woman.</p> <p>If the number of directors of the listed issuer is not 3 or a multiple of 3, then the number nearest 1/3 must be used.</p> <p>In the event of any vacancy on the board of directors, resulting in non-compliance with subparagraph (1) above, a listed issuer must fill the vacancy within 3 months.</p>	<p>Under provision 2.2 of the SCCG, independent directors make up a majority of the Board where the Chairman is not independent.</p> <p>Under provision 2.3 of the SCCG, non-executive directors make up a majority of the Board.</p> <p>Rule 210(5)(c) of the SGX Listing Manual states that the issuer's board must have at least two non-executive directors who are independent and free of any material business or financial connection with the issuer. Independent directors must comprise at least one-third of the issuer's board. In the event of any retirement or resignation which renders the issuer unable to meet any of the foregoing requirements, the issuer should endeavour to fill the vacancy within two months, but in any case not later than three months.</p> <p>Rule 710A(1) of the SGX Listing Manual states that an issuer must maintain a board diversity policy that addresses gender, skills and experience, and any other relevant aspects of diversity.</p>	<p>Both the Listing Requirements and the SGX Listing Manual have similar requirements on the composition of the board, where Paragraph 15.02 of the Listing Requirements requires at least 2 directors, or 1/3 of the board to be independent directors, while Rule 210(5)(c) of the SGX Listing Manual requires that at least 2 directors and 1/3 of the board is independent. Notwithstanding that the SGX Listing Manual does not impose a minimum requirement of female director to be appointed to the board as compared to the Listing Requirements which require at least 1 female director, the SGX Listing Manual imposes on companies to maintain a board diversity policy that addresses, among others, the gender.</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
		<p>The SCCG provides that the board should consist majority of independent directors where the Chairman is not independent. In comparison, the MCCG provides that at least half of the board should comprise independent directors and a majority of independent directors for large companies, e.g. companies on the FTSE Bursa Malaysia Top 100 Index or companies with market capitalisation of RM2 billion and above.</p>
<p>Paragraph 15.03 provides that a person who is a director of a listed issuer at the time this paragraph comes into force or is appointed as a director of a listed issuer after that, must give to the Exchange immediately after this paragraph comes into force or his appointment, whichever is the later, and in any event not later than 14 days after that, an undertaking in the form as may be prescribed by the Exchange.</p> <p>A person who is appointed as an independent director must give to the Exchange immediately after this paragraph comes into force or his appointment, whichever is the later, and in any event not later than 14 days after that, a letter in the form as may be prescribed by the Exchange.</p> <p>Paragraph 15.03A provides that where a listed issuer, management company or trustee-manager makes an enquiry with any one of its directors for the purpose of making a disclosure</p>	<p>Rule 720(1) of the SGX Listing Manual states that an issuer must procure undertakings to comply with the SGX-ST's listing rules from all its directors and executive officers and submit the undertakings to the SGX-ST if required.</p>	<p>While both the Listing Requirements and the SGX Listing Manual require directors to provide an undertaking regarding compliance with listing rules, the Listing Requirements are more detailed in terms of timing, format, and the additional requirement for independent directors to submit a separate letter. Additionally, the Listing Requirements explicitly mandate the accuracy and completeness of information provided by directors in response to company enquiries, whereas the SGX Listing Manual focuses primarily on obtaining undertakings for compliance.</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>pursuant to these Requirements, such director must provide information promptly to the listed issuer, management company or trustee-manager that-</p> <p>(a) is clear, unambiguous and accurate; (b) does not contain any material omission; and (c) is not false or misleading.</p>		
<p>Paragraph 15.04 provides for rights of directors.</p> <p>(1) Unless otherwise provided by or subject to any applicable laws or these Requirements, a listed issuer must ensure that every director has the right to the resources, whenever necessary and reasonable for the performance of his duties, at the cost of the listed issuer and in accordance with a procedure to be determined by the board of directors, including but not limited to -</p> <p>(a) obtaining full and unrestricted access to any information pertaining to the listed issuer; (b) obtaining full and unrestricted access to the advice and services of the company secretary; and (c) obtaining independent professional or other advice.</p>	<p>Under provision 1.7 of the SCCG, 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.</p>	<p>Paragraph 15.04 of the Listing Requirements provides a more explicit directors' rights, ensuring access to information, the company secretary, and professional advice at the company's expense.</p> <p>Provision 1.7 of the SCCG aligns closely but takes a governance-focused approach, emphasizing independent access to the company secretary and external advisers, and Board-level control over the company secretary's appointment and removal.</p> <p>While both provisions aim to support directors in fulfilling their duties, Paragraph 15.04 has the rights of directors explicitly set out, whereas Provision 1.7 enhances board governance and clarifying decision-making authority over the company secretary.</p>
<p>Paragraph 15.05 provides the requirements for the qualification, vacation of office and removal of directors.</p>	<p>Rule 720(2) of the SGX Listing Manual states that, without limiting the generality of Rule 710(1) of the SGX Listing Manual, where a director is disqualified</p>	<p>The Listing Requirements provides a structured, rules-based approach with specific offenses leading to</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>(1) A listed issuer must ensure that no person is appointed or allowed to act as a director of the issuer or be involved whether directly or indirectly in the management of the issuer, including acting in an advisory capacity in relation to the issuer, if he -</p> <p>(a) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence in connection with the promotion, formation or management of a corporation;</p> <p>(b) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence, involving bribery, fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or</p> <p>(c) has been convicted by a court of law of an offence under the securities laws or the corporations laws of the listed issuer's place of incorporation,</p> <p>within a period of 5 years from the date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may be.</p> <p>(3) The office of a director will become vacant if the director -</p> <p>(a) falls within the circumstances set out in section 208 of the Companies Act;</p> <p>(b) [deleted];</p> <p>(c) is absent from more than 50% of the total board of directors' meetings held during a financial year; or</p>	<p>from acting as a director in any jurisdiction for reasons other than on technical grounds, he must immediately resign from the board of directors of the issuer. An announcement containing the details in Appendix 7.4.2 of the SGX Listing Manual must be made.</p>	<p>disqualification and additional criteria such as board meeting attendance. The SGX Listing Manual provides a broader provision on disqualification in any jurisdiction which requires immediate resignation and a public announcement. While the Listing Requirement requires listed issuers to forward written representations from the resigning director to Bursa Securities, the SGX Listing Manual requires the listed issuer to make an announcement on SGX-ST.</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>(d) is convicted by a court of law, whether within Malaysia or elsewhere, in relation to the offences set out in subparagraphs (1)(a), (b) or (c) above.</p> <p>(4) For the purposes of subparagraph (3)(c) above, if a director is appointed after the commencement of a financial year, then only the board of directors' meetings held after his appointment will be taken into account.</p> <p>(5) Where a director is removed from office, the listed issuer must forward to the Exchange a copy of any written representations made by the director in question at the same time as copies of such representations are sent to members of the listed issuer under section 207(3)(b) of the Companies Act, unless copies of such representations need not be sent out by reason of the circumstances specified in section 207(5) of the Companies Act.</p>		
<p>Paragraph 15.06 provides that a director of an applicant or a listed issuer must not hold more than 5 directorships in listed issuers.</p> <p>Paragraph 15.08 provides for the requirement for directors' training:</p> <p>(1) A director of a listed issuer must ensure that he attends such training programmes as may be prescribed by the Exchange from time to time.</p> <p>(2) The Exchange considers continuous training for directors of listed issuers as important to</p>	<p>Provision 1.5 of the SCCG states that 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.</p> <p>Provision 1.2 of the SCCG states that Directors shall understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors</p>	<p>The Listing Requirements imposes a strict limit of 5 directorships held by each director, while the SGX Listing Manual and the SCCG takes a principle-based approach, requiring directors to manage their time effectively rather than enforcing a specific limit.</p> <p>The Listing Requirements mandates training for all directors, while the SGX Listing Manual and the SCCG also mention this it focuses on new</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>enable the directors to effectively discharge their duties. In this respect, the board of directors of a listed issuer must on a continuous basis, evaluate and determine the training needs of its directors. The subject matter of training must be one that aids the director in the discharge of his duties as a director.</p> <p>(3) The board of directors must disclose in the annual report of the listed issuer, a statement on the training attended by its directors which includes the following information:</p> <p>(a) the board has undertaken an assessment of the training needs of each director;</p> <p>(b) a brief description on the type of training that the directors have attended for the financial year; and</p> <p>(c) in exceptional circumstances where any director has not attended any training during the financial year, valid justifications for the non-attendance of such director.</p>	<p>are to be 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.</p> <p>Rule 210(5)(a) of the SGX Listing Manual states that directors and executive officers should have appropriate experience and expertise to manage the group's business. A director who has no prior experience as a director of an issuer listed on the Exchange must undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. If the nominating committee is of the view that training is not required because the director has other relevant experience, the basis of its assessment must be disclosed. As a pre-quotation disclosure requirement, an issuer must release a statement via SGXNET or in the prospectus, offering memorandum or introductory document identifying for each director, whether the person has prior experience as a director of an issuer listed on the Exchange or if he has other relevant experience, and if so, provide details of his directorships and other relevant experience. If the director has no prior experience as a director of an issuer listed on the Exchange and has no other relevant experience, the issuer must confirm that the person has undertaken training as prescribed by the Exchange.</p> <p>Rule 720(7) of the SGX Listing Manual states that an issuer must have all directors undergo training on sustainability matters as prescribed by the Exchange. If the nominating committee is of the view that training is not required because the director has expertise in</p>	<p>directors and those lacking prior experience and exemptions may apply if the nominating committee assesses a director's prior experience as sufficient.</p> <p>The SGX Listing Manual also explicitly mandates sustainability training, whereas the Listing Requirement does not provide for a similar requirement.</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
	sustainability matters, the basis of its assessment must be disclosed.	
<u>PART B(A) – NOMINATING COMMITTEE</u> Paragraph 15.08A - Nominating committee (1) A listed issuer must establish a nominating committee which comprises exclusively of nonexecutive directors, a majority of whom must be independent. (2) The nominating committee must have written terms of reference dealing with its authority and duties which must include the selection and assessment of directors, and such information must be made available on the listed issuer's website. (3) The listed issuer must provide, in its annual report, a statement about the activities of the nominating committee in the discharge of its duties for the financial year. Such statement must include the application of the listed issuer's fit and proper policy in the nomination and election of its directors, how the requirements set out in paragraph 2.20A of these Requirements are met and contain the following information: (a) the policy on board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of the listed issuer; (b) the board nomination and election process of directors; and (c) the assessment undertaken by the nominating committee in respect of the performance of its board, committees	Under provision 4.1 of the SCCG, 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). Under provision 4.2 of the SCCG, 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. Under provision 4.3 of the SCCG, 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	Both the Listing Requirements and the SCCG require that the nominating committee comprise a majority of independent directors, as well as prescribing provisions for director selection, nomination, and performance evaluation. Both the Listing Requirements and the SCCG also require the disclosure of board composition policies in the annual report of the listed issuer. Both the MCCG and SCCG also require the nominating committee to be chaired by an independent director, although not specifically provided for under the Listing Requirements.

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>and individual directors together with the criteria used for such assessment.</p>	<p>searching for appropriate candidates in the company's annual report.</p> <p>Under provision 4.4 of the SCCG, 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.</p> <p>Provision 2.1 of the SCCG states that an "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations⁴, 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</p> <p>Under provision 4.5 of the SCCG, 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 commitments¹⁶ 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</p>	

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
	<p>of the ability of the director to diligently discharge his or her duties.</p> <p>Provision 5.1 of the SCCG states that 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.</p>	
<p>PART C – AUDIT COMMITTEE Paragraph 15.09 - Composition of the audit committee</p> <p>(1) A listed issuer must appoint an audit committee from amongst its directors which fulfils the following requirements:</p> <p>(a) the audit committee must be composed of not fewer than 3 members;</p> <p>(b) all the audit committee members must be non-executive directors, with a majority of them being independent directors; and</p> <p>(c) at least one member of the audit committee –</p> <p>(i) must be a member of the Malaysian Institute of Accountants; or</p> <p>(ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and –</p> <p>(aa) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or</p>	<p>Provision 10.1 of the SCCG states that the duties of the Audit Committee ("AC") include:</p> <p>(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;</p> <p>(b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;</p> <p>(c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;</p> <p>(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;</p> <p>(e) reviewing the adequacy, effectiveness, independence, scope and results of the external</p>	<p>Both the Listing Requirements and the SCCG provide for similar requirements as to the composition of the audit committee, e.g. for the audit committee to comprise at least three directors, the majority of which are independent as well as that some directors sitting on the audit committee should be financially literate.</p> <p>The SGX Listing Manual provided additional restrictions on members of the audit committee to comprise former audit partners within two years of the audit partner's leaving the auditing firm of the company. In Malaysia, this restriction is provided for under the MCCG, where an audit partner of the auditing firm of the company has to observe a cooling-off period of at least three years prior to such appointment to the audit committee.</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>(bb) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or</p> <p>(iii) fulfils such other requirements as prescribed or approved by the Exchange.</p> <p>(2) A listed issuer must ensure that no alternate director is appointed as a member of the audit committee.</p> <p><u>Paragraph 15.10 Chairman of the audit committee</u> The members of an audit committee must elect a chairman among themselves who is an independent director</p> <p><u>Paragraph 15.11 Written terms of reference</u> An audit committee must have written terms of reference which deal with its authority and duties, and such information must be made available on the listed issuer's website.</p> <p><u>Paragraph 15.12 Functions of the audit committee</u> Without limiting the generality of paragraph 15.11 above, a listed issuer must ensure an audit committee, amongst others, discharges the following functions:</p> <p>(1) review the following and report the same to the board of directors of the listed issuer: (a) with the external auditor, the audit plan;</p>	<p>audit and the company's internal audit function; and</p> <p>(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</p> <p>Provision 10.2 of the SCCG states that 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.</p> <p>Provision 10.3 of the SCCG states that 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.</p> <p>Further to provision 10.4 of the SCCG, 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,</p>	

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<ul style="list-style-type: none"> (b) with the external auditor, his evaluation of the system of internal controls; (c) with the external auditor, his audit report; (d) the assistance given by the employees of the listed issuer to the external auditor; (e) the adequacy of the scope, competency and resources of the internal audit function and that it has the necessary authority to carry out its work; (f) the internal audit plan, processes, the results of the internal audit assessments, investigation undertaken and whether or not appropriate action is taken on the recommendations; (g) the quarterly results and year-end financial statements, before the approval by the board of directors, focusing particularly on – <ul style="list-style-type: none"> (i) changes in or implementation of major accounting policy changes; (ii) significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed; and (iii) compliance with accounting standards and other legal requirements; (h) any related party transaction and conflict of interest situation that arose, persist or may arise within the listed issuer or group including any transaction, procedure or course of conduct that raises questions 	<p>properties and personnel, including the AC, and has appropriate standing within the company.</p> <p>Provision 10.5 of the SCCG requires that the AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.</p>	

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>of management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts;</p> <p>(i) any letter of resignation from the external auditors of the listed issuer; and</p> <p>(j) whether there is reason (supported by grounds) to believe that the listed issuer's external auditor is not suitable for re-appointment; and</p> <p>(2) recommend the nomination of a person or persons as external auditors.</p> <p><u>Paragraph 15.13 Attendance of other directors and employees</u> A listed issuer must ensure that other directors and employees attend any particular audit committee meeting only at the audit committee's invitation, specific to the relevant meeting.</p> <p><u>Paragraph 15.14 Procedure of audit committee</u> An audit committee may regulate its own procedure, in particular -</p> <p>(a) the calling of meetings;</p> <p>(b) the notice to be given of such meetings;</p> <p>(c) the voting and proceedings of such meetings;</p> <p>(d) the keeping of minutes; and</p> <p>(e) the custody, production and inspection of such minutes.</p> <p><u>Paragraph 15.15 Audit committee report</u></p> <p>(1) A listed issuer must ensure that its board of directors prepare an audit committee report at</p>		

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>the end of each financial year that complies with subparagraphs (2) and (3) below.</p> <p>(2) The audit committee report must be clearly set out in the annual report of the listed issuer.</p> <p>(3) The audit committee report must include the following:</p> <p>(a) the composition of the audit committee, including the name, designation (indicating the chairman) and directorship of the members (indicating whether the directors are independent or otherwise);</p> <p>(b) [deleted]</p> <p>(c) the number of audit committee meetings held during the financial year and details of attendance of each audit committee member;</p> <p>(d) a summary of the work of the audit committee in the discharge of its functions and duties for that financial year of the listed issuer and how it has met its responsibilities;</p> <p>(e) a summary of the work of the internal audit function; and</p> <p>(f) a summary of any conflict of interest or potential conflict of interest situation reviewed by the audit committee pursuant to paragraph 15.12(1)(h) (excluding a related party transaction), and the measures taken to resolve, eliminate, or mitigate such conflicts.</p> <p><u>Paragraph 15.16 Reporting of breaches to the Exchange</u></p> <p>Where an audit committee is of the view that a matter reported by it to the board of directors of a listed issuer has not been satisfactorily resolved</p>		

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>resulting in a breach of these Requirements, the audit committee must promptly report such matter to the Exchange.</p> <p><u>Paragraph 15.18 Quorum of an audit committee</u> In order to form a quorum in respect of a meeting of an audit committee, the majority of members present must be independent directors.</p> <p><u>Paragraph 15.20 Review of the audit committee</u> The nominating committee of a listed issuer must review the term of office and performance of an audit committee and each of its members annually to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.</p>		
<p><u>Paragraph 15.17 Rights of the audit committee</u> A listed issuer must ensure that wherever necessary and reasonable for the performance of its duties, an audit committee must, in accordance with a procedure to be determined by the board of directors and at the cost of the listed issuer –</p> <ul style="list-style-type: none"> (a) have authority to investigate any matter within its terms of reference; (b) have the resources which are required to perform its duties; (c) have full and unrestricted access to any information pertaining to the listed issuer or group; (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity; (e) be able to obtain independent professional or other advice; and 	<p>Practice Guidance 10 of the SGX Listing Manual states that the AC should have explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management, full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions.</p>	<p>Both the Listing Requirements and the SGX Listing Manual provide for similar powers for the audit committee to have the authority to investigate any matter within its terms of reference.</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
(f) be able to convene meetings with the external auditors, the person(s) carrying out the internal audit function or activity or both, excluding the attendance of other directors and employees of the listed issuer, whenever deemed necessary.		
<p>Paragraph 15.19 Retirement and resignation In the event of any vacancy in an audit committee resulting in the non-compliance of paragraphs 15.09(1) and 15.10 above, a listed issuer must fill the vacancy within 3 months.</p>	<p>Further to Rule 704(8) of the SGX Listing Manual, an issuer must immediately announce any appointment or reappointment of a director to the audit committee. The issuer must state in the announcement whether the board considers the director to be independent. The issuer must also provide such additional disclosure as may be appropriate in the circumstances to enable its shareholders to assess the independence or otherwise of the appointed director. In the event of any retirement or resignation which renders the audit committee unable to meet the minimum number (not less than three) the issuer should endeavour to fill the vacancy within two months, but in any case not later than three months.</p>	<p>Both the Listing Requirements and the SGX Listing Manual impose a hard deadline of three months for a listed issuer to fill a vacancy on the audit committee in the event of a resignation and retirement of a director.</p>
<p>PART D – AUDITORS 15.21 External auditor In appointing an external auditor, a listed issuer must consider, among others –</p> <p>(a) the adequacy of the experience and resources of the accounting firm; (b) the persons assigned to the audit; (c) the accounting firm’s audit engagements; (d) the size and complexity of the listed issuer’s group being audited; and</p>	<p>Kindly refer to provision 10.1 of the SCCG cited above.</p> <p>In addition, Practice Guidance 10 of the SGX Listing Manual states that in respect of appointments and re-appointments of external auditors, the AC should evaluate the performance of the external auditor, taking into consideration the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority (ACRA). Rule 1203(5) of the Listing Manual states that an issuer must submit to the SGX-ST for review, one</p>	<p>Both the Listing Requirements and the SGX Listing Manual provide for the evaluation requirements in appointing external auditors.</p> <p>While the Listing Requirements mandated the requirements of reporting a resignation/removal of external auditors to Bursa Securities, the SGX Listing Manual provides for the issuer to submit to SGX-ST for review one draft copy of a notice of</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>(e) the number and experience of supervisory and professional staff assigned to the particular audit.</p> <p><u>Paragraph 15.22 Removal or resignation of external auditors</u> Where external auditors are removed from office or give notice to the listed issuer of their desire to resign as external auditors of listed issuer, the listed issuer must forward to the Exchange a copy of any written representations or statement of circumstances connected with the resignation made by the external auditors at the same time as copies of such representations or statement of circumstances are submitted to the Registrar pursuant to section 284 of the Companies Act.</p> <p><u>Paragraph 15.23 Review of statements</u> A listed issuer must ensure that the external auditors review a statement made by the board of directors of a listed issuer pursuant to subparagraph 15.26(b) below, with regard to the state of risk management and internal control of the listed issuer and report the results thereof to the board of directors of the listed issuer.</p> <p><u>Paragraph 15.24 Right to request for meeting</u> Upon the request of the external auditor, the chairman of the audit committee must convene a meeting of the committee to consider any matter the external auditor believes should be brought to the attention of the directors or shareholders.</p>	<p>draft copy of a notice of meeting if it contains a resolution relating to the proposed change of auditors or the proposed appointment of an additional auditing firm to meet requirements in Rule 712(2A). The notice should incorporate, where applicable:—</p> <p>(a) Confirmation from the outgoing auditors whether or not they are aware of any professional reasons why the new auditors should not accept appointment as auditors of the issuer. If so, to provide details;</p> <p>(b) Confirmation from the issuer whether or not there were disagreements with the outgoing auditors on accounting treatments within the last 12 months. If so, to provide details;</p> <p>(c) Confirmation from the issuer whether or not it is aware of any circumstances connected with the change of auditors that should be brought to the attention of the shareholders of the issuer;</p> <p>(d) Specific reasons for the change of auditors, including whether the outgoing auditors resigned, declined to stand for election, were dismissed or directed by the Exchange to be replaced under Rule 1405(1)(fb);</p> <p>(e) Confirmation from the issuer that it complies with Rule 712, and Rule 715 or 716 in relation to the appointment of the new auditing firm; and</p> <p>(f) Explanation that the appointment of an additional auditing firm is to meet the Exchange's requirements in Rule 712(2A).</p>	<p>meeting if it contains a resolution on the proposed change of auditors.</p>
<p><u>PART E – CORPORATE GOVERNANCE DISCLOSURE</u></p>	<p>Rule 710 of the SGX Listing Manual states that an issuer must describe in its annual report its corporate governance practices with specific reference to the</p>	<p>Both the Listing Requirements and the SGX Listing Manual require listed issuers to report on their corporate</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p><u>Paragraph 15.25 Disclosure of corporate governance related information</u></p> <p>(1) A listed issuer must ensure that its board of directors provides an overview of the application of the Principles set out in the MCCG, in its annual report.</p> <p>(2) In addition, the listed issuer must disclose the application of each Practice set out in the MCCG during the financial year, to the Exchange in a prescribed format and announce the same together with the announcement of the annual report. The listed issuer must state in its annual report, the designated website link or address where such disclosure may be downloaded.</p> <p>(3) A listed issuer which is a closed-end fund, business trust or REIT is only required to comply with subparagraph (1).</p>	<p>principles and the provisions of the SCCG. An issuer must comply with the principles of the SCCG. Where an issuer's practices vary from any provisions of the SCCG, it must explicitly state, in its annual report, the provision from which it has varied, explain the reason for variation, and explain how the practices it had adopted are consistent with the intent of the relevant principle.</p>	<p>governance practices in their annual reports, referencing the respective governance codes, i.e. the MCCG and the SCCG.</p>
<p><u>Paragraph 15.26 Additional statements by the board of directors</u></p> <p>A listed issuer must ensure that its board of directors makes the following additional statements in its annual report:</p> <p>(a) a statement explaining the board of directors' responsibility for preparing the annual audited financial statements; and</p> <p>(b) a statement about the state of risk management and internal control of the listed issuer as a group</p>	<p>Rule 1207(10) of the SGX Listing Manual states that the board must comment on the adequacy and effectiveness of the issuer's internal controls (including financial, operational, compliance and information technology controls) and risk management systems. A statement on whether the audit committee concurs with the board's comment must also be provided. Where material weaknesses are identified by the board or audit committee, they must be disclosed together with the steps taken to address them.</p>	<p>Both the Listing Requirements and the SGX Listing Manual require board-level accountability for financial statements, risk management, and internal controls, ensuring transparency and investor confidence.</p>

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
PART F – INTERNAL AUDIT <u>Paragraph 15.27 Internal audit</u> (1) A listed issuer must establish an internal audit function which is independent of the activities it audits. (2) A listed issuer must ensure its internal audit function reports directly to the audit committee.	Rule 719(3) of the SGX Listing Manual states that an issuer must establish and maintain on an ongoing basis, an effective internal audit function that is adequately resourced and independent of the activities it audits. Kindly refer to Provision 10.4 of the SCCG cited above.	Both the Listing Requirements and the SGX Listing Manual mandates the establishment of a company's internal audit and its independent function reporting to the audit committee.
PART H – ANTI-CORRUPTION AND WHISTLE-BLOWING <u>Paragraph 15.29 Anti-corruption and whistleblowing</u> (1) A listed issuer and its board of directors must ensure that - (a) the following are established and maintained for the listed issuer and its subsidiaries ("group"): (i) policies and procedures on anti-corruption that are, at a minimum, guided by the Guidelines on Adequate Procedures issued pursuant to section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009; and (ii) policies and procedures on whistleblowing; (b) the policies and procedures in subparagraph (a) above are reviewed periodically to assess their effectiveness, and in any event, at least once every 3 years; and	Kindly refer to Provision 10.1 of the SCCG cited above. Rule 1207(18A) of the SGX Listing Manual requires a statement that the issuer has put in place a whistleblowing policy which sets out the procedures for a whistleblower to make a report to the issuer on misconduct or wrongdoing relating to the issuer and its officers. Rule 1207(18B) of the SGX Listing Manual requires an explanation of how the issuer has complied with the following: (a) the issuer has designated an independent function to investigate whistleblowing reports made in good faith; (b) the issuer ensures that the identity of the whistleblower is kept confidential; (c) the issuer discloses its commitment to ensure protection of the whistleblower against detrimental or unfair treatment; and	Both the Listing Requirements and the SGX Listing Manual require a listed issuer to establish an anti-corruption and whistle-blowing policy. However, the Listing Requirements are more prescriptive in that it mandates such policies to be assessed in their effectiveness at least once every 3 years whereas the SGX Listing Manual did not impose such requirement.

ANNEXURE C: SUMMARY COMPARISON OF THE LISTING REQUIREMENTS AND THE SGX LISTING MANUAL (Cont'd)

LISTING REQUIREMENTS	EQUIVALENT SGX LISTING MANUAL	COMMENTS ON DIFFERENCES, IF ANY
<p>(c) corruption risk is included in its annual risk assessment of the group.</p> <p>(2) A listed issuer must also publish on its website –</p> <p>(a) its policy on anti-corruption; and</p> <p>(b) its policy and procedures on whistleblowing</p>	<p>(d) the AC is responsible for oversight and monitoring of whistleblowing.</p> <p>Practice Note 7.6 of the SGX Listing Manual at paragraph 4.4 states that corruption is a factor on which many investors require reassurance, whether inducement is being offered to employees or by employees to others. Where corruption has been addressed in the Corporate Governance report, the issuer may refer to that report. If corruption is not assessed to be a material environmental, social and governance factor by the issuer, where stakeholders express sufficient interest in the information, the issuer is advised to state its policy and safeguards on its website.</p>	

Notes:

- (1) Pursuant to Chapter 4A, Paragraph 4A.19 of the Listing Requirements, an applicant (either a corporation, a collective investment scheme or a business trust seeking a secondary listing on the Main Market) is subject to the listing rules (or its equivalent) of its home exchange. As such, apart from the requirements set out in Chapters 1, 2, 4A and 16, where applicable, and such other requirements as may be imposed by the Bursa Securities from time to time, the other Chapters of the Listing Requirements are not applicable to the applicant.
- (2) All capitalised terms used herein shall have the same meanings as defined in the Listing Requirements or SGX Listing Manual, as the case may be, unless otherwise expressly defined herein this Prospectus or unless the contrary is expressly stated herein.

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS

DETAILS OF OUR MAJOR LICENCES, PERMITS AND APPROVALS

We have various licences and permits for our operations in Malaysia and other jurisdictions where we operate. Details of our major licences, permits and approvals for our operations as at the LPD together with the salient conditions are as follows:

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
<u>Singapore</u>							
1.	UMSPL	National Environmental Agency	Environmental Protection and Management Act Licence to Import, Store and Sell Hazardous Substances	Licence No. U0145L20003 1	Date of issuance: 4 February 2025 but takes effect from 19 January 2025 / Date of expiry: 18 January 2026	The licence is issued subject to the provisions of the Environmental Protection and Management Act, the Environmental Protection and Management (Hazardous Substances) Regulations and to the following conditions: a. Hazardous substances in packaging such as drums, carboys etc are to be kept in a sheltered store with adequate security, ventilation and control facilities to contain spillage or leakage; b. The licence holder shall ensure that all hazardous substances are transported in enclosed 20 footer containers or in goods vehicles which have enclosed cage or goods vehicles which have side-boards and tail-boards of height at least equal to the height of the hazardous substances stacked in the vehicles. The hazardous substances shall also be securely tied or attached to the vehicle to prevent movement during transportation; c. Hazardous substances shall be labelled according to the	Compiled

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						<p>Singapore Standard (Specification for hazard communication for hazardous chemicals and dangerous goods), SS 586-1:2021 and SS 586-2:2022;</p> <p>d. The percentage and quantity refer to the maximum percentage and maximum aggregate storage quantity allowed for the hazardous substance; including preparations and solutions containing the hazardous substance;</p> <p>e. For the import/export of hazardous substances controlled by NEA, you are to ensure that the company or the declaring agent declares the appropriate product codes when submitting the inward/outward permit applications. Misuse of the product code will render the licence holder/company liable to prosecution. The list of Product Codes can be found in NEA's web page at www.nea.gov.sg ;</p> <p>f. Licence/Permit holder shall immediately notify NEA upon occurrence of any incident involving the loss, releases and/or fires of hazardous substances;</p> <p>g. Any information furnished for the purpose of obtaining this licence/permit is true and correct, and permission has been obtained from the</p>	

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						owner(s) to use any proprietary information furnished; h. Sodium borate shall not be used in food manufacturing; i. Hazardous substances with NIL storage shall be conveyed directly from supplier's store to 23, Changi North Crescent for immediate use only.	
2.	UMSPL	National Environment Agency	IR2 Licence issued under the Radiation Protection Act	Licence No. IR2/2023/00682	Date of issuance: 20 February 2023 (Perpetual with recurring annual payment)	a. For cancellation of this licence, documentary proof of the whereabouts of the apparatus or materials is required to be submitted. b. Items authorised for storage only or exhibition only must not be energised or used. c. In the event of any occurrence of a radiation accident or loss of radioactive material, licensee must make a preliminary oral report to the National Environment Agency via the Radiation Protection and Nuclear Science Group's emergency number at 9163 8842 within the timeframe required under the Radiation Protection (Ionising Radiation) Regulations. d. The disposal of unwanted, defective or decayed radioactive sources is the responsibility of the licensee who must follow an approved method of disposal. Return to the manufacturer is considered	Complied

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						<p>an approved method of disposal.</p> <p>e. Licensee must notify in writing of any intentions to modify or remove any security measures put in place to secure radioactive materials, and obtain written approval from the Radiation Protection and Nuclear Science Group before implementing any changes.</p> <p>f. Licensee must ensure that authorised irradiating apparatus and radioactive materials are not used for irradiation of human beings or administered to human beings unless authorised to be used for medical, dental or research (involving human subjects) purposes.</p> <p>g. Licensee must ensure that any individual handling any radioactive material authorised under the licence or operating any irradiating apparatus must be suitably trained to do so.</p> <p>h. Radioactive materials must be stored or kept in such a manner as — (a) not to create outside the defined area where the radioactive materials are stored or kept at any location accessible to any individual other than a radiation worker a radiation level exceeding 0.5 µSv per hour; and (b) not to suffer any individual other than a radiation worker to receive a</p>	

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						<p>radiation dose in excess of 20 μSv in a period of any 7 consecutive days.</p> <p>i. The vault or room wherein any radioactive material is stored, kept, used or handled and from which any radionuclide in gaseous, vapour or aerosol form is or may be emitted must be suitably ventilated in such a manner that the radionuclide does not constitute a radiation hazard.</p> <p>j. When radioactive materials are stored temporarily, or when not being used are kept, in a workroom, laboratory or any other place where any individual is regularly or frequently present, these radioactive materials must be enclosed in adequate containers or otherwise shielded to meet certain requirements as set out in the licence</p> <p>k. Where practicable, a walled enclosure or a cabinet must be set apart for the purpose of industrial radiography and the use of ionising radiations in the irradiation of materials for the purpose of inducing chemical, physical or biological changes, including the irradiation of materials for the purpose of sterilisation, disinfection or disinfestation or for the purpose of preserving food. Where a walled enclosure or cabinet is</p>	

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						<p>used, the requirements as set out in the licence must be met.</p> <p>l. Where it is necessary for industrial radiography and the use of ionising radiations in the irradiation of materials for the purpose of inducing chemical, physical or biological changes, including the irradiation of materials for the purpose of sterilisation, disinfection or disinfestation or for the purpose of preserving food to be carried out in a field site, a boundary of the field site must be set up and clearly defined by some appropriate means, such as ropes, rails, fences, walls of a building or notices, such that the radiation level outside the boundary does not exceed 25 µSv per hour. Additionally, certain requirements as set out in the licence must be met</p> <p>m. Where an irradiating apparatus is used for medical, dental, veterinary or other human imaging purposes, the radiation level in any area accessible to any individual outside the controlled area must not exceed 10 µSv per hour while the irradiating apparatus is being operated at its maximum rated current for the maximum rated voltage and at its normal operation positions.</p> <p>n. Where sealed sources are used in thickness gauges, density</p>	

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						<p>gauges, package monitors, level gauges, static eliminators, analysers or other analytical, inspection or gauging equipment, the requirements as set out in the licence must be met.</p> <p>o. Where apparatus designed to produce ionising radiations are used in thickness gauges, density gauges, package monitors, level gauges, analysers or other analytical, inspection or gauging equipment, the requirements as set out in the licence must be met.</p> <p>p. For use of X-ray analytical apparatus, the requirements as set out in the licence must be met.</p>	
3.	UMSPL	Singapore Civil Defence Force	Petroleum & Flammable Materials Storage Licence	Licence No. FS05012025	Date of issuance: 12 March 2025 but takes effect from 1 April 2025 / Date of expiry: 31 January 2026	The licence is granted subject to The Fire Safety Act 1993 and the regulations relating to the said purpose now and from time to time hereafter in force.	Complied
4.	UMSPL	Public Utilities Board	The Sewerage and Drainage Act 2001 (Chapter 294) Sewerage and Drainage (Trade Effluent) Regulations Written Approval to Discharge Trade Effluent	Approval no. TER-5512	Date of issuance: 27 October 2021 but takes effect from 18 January 2021 / Date of expiry: 17 January 2026	<p>a. Trade effluent discharged into the public sewer shall comply with the said Regulations and its subsequent amendments.</p> <p>b. The trade effluent peak discharge rate shall not exceed 3.0 litres per second.</p> <p>c. The Discharger shall notify Water Reclamation (Network)</p>	Complied

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						<p>Department, PUB in writing, 14 days before the commencement of any change in: - (i) processes or operations that produce the final products of trade, manufacturing, and business or (ii) the layout of machinery, plant and equipment including pre-treatment plant, or (iii) major raw materials and chemicals to be used in the processes or operations, which affects the amount, or the physical, organic, or chemical nature of the trade effluent discharged.</p> <p>d. The Discharger shall install sampling test points, measuring and recording devices, other apparatuses, and pre-treatment plant, as PUB may require to ensure that the trade effluent discharged into the sewer complies with the Regulations. The Discharger shall operate and maintain the apparatuses in an efficient condition at all times and shall submit all information to PUB officers and authorised contractors upon request.</p> <p>e. PUB officers and authorised contractors shall carry out unannounced visits on the premise at any time of the day including after business hours. The Discharger shall allow PUB officers and authorised contractors to enter the premise to carry out their inspection work and collect used water samples.</p>	

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						<p>The Discharger shall provide all details sought for by the PUB officers and authorised contractors to facilitate their inspection work</p> <p>f. The Discharger shall operate and maintain all monitoring equipment, including but not limited to pH monitoring and control system, and auto-sampler unit efficiently at all times. Data from the monitoring equipment shall be monitored through a dashboard by an authorised supervisory employee to ensure that the trade effluent discharged into the sewers is compliant at all times. Data from monitoring equipment shall be stored for at least six months and shall be submitted to PUB officers and authorised contractors upon request.</p> <p>g. Monitoring equipment, including but not limited to pH monitoring and control system, and auto-sampler shall not be tampered with. The Discharger shall put in place physical security measures to prevent any unauthorised access, modification and removal of any monitoring equipment, including the framesets, sampling tubing, brackets, PUB security seal etc.</p> <p>h. The Discharger shall allow PUB officers and authorised contractors to enter the</p>	

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						<p>premises to perform regular maintenance on the monitoring equipment. The Discharger shall not access, modify, or remove any PUB monitoring equipment and physical measures put in place</p> <p>i. The discharge of dangerous or hazardous trade effluent into public sewers is prohibited without PUB's prior Written Approval under Section 16A(1)(a) of the Sewerage and Drainage Act. The discharge of trade effluent containing dangerous or hazardous substances without PUB's Written Approval carries a maximum fine of \$50,000 or a jail-term of 12 months or both for first conviction, and a maximum fine of \$100,000 or a jail-term of 12 months or both for subsequent conviction under Section 16A(5) of the Sewerage and Drainage Act</p> <p>j. This Written Approval may be revoked or suspended for any period by PUB without assigning any reason and shall cease to be valid when the discharger ceased operation at the said premises or fails to comply with any provision of the said Regulations or any condition stipulated in this Annex. The discharge of trade effluent into public sewers without a valid Written Approval</p>	

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						<p>carries a maximum fine of \$20,000 under Section 16(4) of the Sewerage anti Drainage Act.</p> <p>k. There are other conditions relating to the operation and maintenance of pre-treatment plant and water sampling, as well as the requirement of installation of auto-sampler unit as set out in the licence.</p>	
5.	UMSPL	Energy Market Authority	Licence to Use or Operate an Electrical Installation at 23 Changi North Crescent Singapore 499616 under the provisions of the Electricity Act 2001 and the Electricity (Electrical Installations) Regulations 2002	Licence No. E/43955	Date of issuance: 24 February 2025 but takes effect from 19 March 2025 / Date of expiry: 18 March 2026	The licence is to be displayed in a conspicuous position on the switchboard or in the switchroom	Complied
6.	JEPPL	National Environmental Agency	Permit to Store and Use Hazardous Substances	Permit no. J0197P20017 6	Date of issuance: 13 January 2025 but takes effect from 11 February 2025 / Date of expiry: 10 February 2026	<p>a. Hazardous substances in packaging such as drums, carboys etc are to be kept in a sheltered store with adequate security, ventilation and control facilities to contain spillage or leakage.</p> <p>b. Hazardous substances shall be labelled according to the Singapore Standard (Specification for hazard communication for hazardous chemicals and dangerous goods), SS 586-1:2021 and SS 586-2:2022.</p> <p>c. The percentage and quantity refer to the maximum</p>	Complied

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						<p>percentage and maximum aggregate storage quantity allowed for the hazardous substance; including preparations and solutions containing the hazardous substance.</p> <p>d. Licence/Permit holder shall immediately notify NEA upon occurrence of any incident involving the loss, releases and/or fires of hazardous substances.</p> <p>e. Any information furnished for the purpose of obtaining this licence/permit is true and correct, and permission has been obtained from the owner(s) to use any proprietary information furnished.</p> <p>f. Sodium borate shall not be used in food manufacturing</p>	
7.	JEPPL	National Environmental Agency	Permit to Store and Use Hazardous Substances	Permit no. HSP20220029	Date of issuance: 13 January 2025 but takes effect from 30 March 2025 / Date of expiry: 29 March 2026	<p>a. Hazardous substances in packaging such as drums, carboys etc are to be kept in a sheltered store with adequate security, ventilation and control facilities to contain spillage or leakage.</p> <p>b. Hazardous substances shall be labelled according to the Singapore Standard (Specification for hazard communication for hazardous chemicals and dangerous goods), SS 586-1:2021 and SS 586-2:2022</p>	Complied

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						<p>c. The percentage and quantity refer to the maximum percentage and maximum aggregate storage quantity allowed for the hazardous substance; including preparations and solutions containing the hazardous substance.</p> <p>d. Licence/Permit holder shall immediately notify NEA upon occurrence of any incident involving the loss, releases and/or fires of hazardous substances.</p> <p>e. Any information furnished for the purpose of obtaining this licence/permit is true and correct, and permission has been obtained from the owner(s) to use any proprietary information furnished.</p>	
8.	JEPPL	National Environmental Agency	Licence / Certificate issued under the Radiation Protection Act (N2 Licence)	Licence no. N2/06809/002	Perpetual recurring payment	with annual <p>a. The licence shall be subject to suspension or cancellation at any time without compensation and without notice by the Director-General of Environmental Protection in the event of but not limited to the following events:</p> <ul style="list-style-type: none">- breach of any restrictions or conditions subject to which it was issued; or- contravention of any of the provisions of the Radiation Protection Act or the Regulations thereunder.	Complied

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						<p>b. Licensee who at any time changes the address of the authorised premises as appearing in the N2 licence should inform the Radiation Protection and Nuclear Science Department of the new address within two weeks of the change of address.</p> <p>c. Payment of the annual fee for this licence shall be made, via LicenceOne, no later than one month before the anniversary date as shown on the N2 licence.</p> <p>d. The licensee shall ensure that operator(s) of the industrial laser licensed in the N2 licence have the appropriate N3 licence(s) authorizing the operation of the laser by the operator(s) and these laser apparatus shall not be used / applied on any living human beings or animals</p>	
9.	SSPL	Energy Market Authority	Licence to Use or Operate an Electrical Installation at 32 Gul Lane Singapore 629426 under the provisions of the Electricity Act 2001 and the Electricity (Electrical Installations) Regulations 2002	Licence no. E/153032	Date of issuance: 24 January 2025 but takes effect from 5 February 2025 / Date of expiry: 4 February 2026	The licence is to be displayed in a conspicuous position on the switchboard or in the switchroom	Complied
10.	SSPL	Energy Market Authority	Licence to Use or Operate an Electrical Installation at 34 Gul Lane Singapore 629428 under the provisions of the Electricity Act 2001 and the Electricity (Electrical Installations) Regulations 2002	Licence no. E/100508	Date of issuance: 11 June 2024 but takes effect from 12 July 2024 / Date of expiry: 11 July 2025	The licence is to be displayed in a conspicuous position on the switchboard or in the switchroom	Complied

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
11.	UMS Solutions	Energy Market Authority	Licence to Use or Operate an Electrical Installation at 25 Changi North Crescent Singapore 499617 under the provisions of the Electricity Act 2001 and the Electricity (Electrical Installations) Regulations 2002	Licence no. E/133118	Date of issuance: 30 September 2024 and takes effect on 30 September 2024 / Date of expiry: 29 September 2025	The licence is to be displayed in a conspicuous position on the switchboard or in the switchroom	Complied
12.	JEP Engineering	Energy Market Authority	Licence to Use or Operate an Electrical Installation at 2 Loyang Way 4, Singapore 507098 under the provisions of the Electricity Act 2001 and the Electricity (Electrical Installations) Regulations 2002	Licence no. E/73042	Date of issuance: 14 October 2024 and takes effect on 12 November 2024 / Date of expiry: 11 November 2025	The licence is to be displayed in a conspicuous position on the switchboard or in the switchroom	Complied
13.	JEPPL	Energy Market Authority	Licence to Use or Operate an Electrical Installation at 16 Seletar Aerospace Crescent, Singapore 797567 under the provisions of the Electricity Act 2001 and the Electricity (Electrical Installations) Regulations 2002	Licence no. E/133067	Date of issuance: 16 August 2024 and takes effect on 26 September 2024 / Date of expiry: 25 September 2025	<p>a. Every high voltage apparatus in the installation shall be maintained according to the manufacturer's recommendation. You shall keep record of all the maintenance work conducted and shall be able to submit the maintenance report to the Authority as and when required</p> <p>b. Requirement for independent audit:</p> <ul style="list-style-type: none"> - In the event that the electrical installation causes 3 or more voltage dips to SP PowerAssets' electricity network ("Network") within a period of 24 months, the Energy Market Authority ("EMA") may require you to do the following work (the 	Complied

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						<p>"Work": - (a) engage an independent licensed electrical engineer ("LEE") to (i) inspect, test and maintain the electrical installation and (ii) conduct an independent audit (the "Independent Audit") and make recommendations in order to prevent further occurrences of voltage dips to the Network at the company's own expense (b) submit to EMA, the results of the Independent Audit, in the form of a written report, at such intervals as EMA may determine, at the company's own expense; and (c) implement at the company's own expense, all the recommendations of the independent LEE prepared in the Independent Audit, at the company's electrical installation (c) implement at the company's own expense, all the recommendations of the independent LEE prepare in the Independent Audit, at the company's electrical installation</p> <p>- The EMA will monitor the company's electrical installation for a further period of 12 months after the completion of the Work ("Period")</p>	

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						c. In the event that a voltage dip occurs within the Period, the EMA may require you to reconduct the Work	
14.	JEPPL	Energy Market Authority	Licence to Use or Operate an Electrical Installation at 8 Buroh Street #01-05, Singapore 627563 under the provisions of the Electricity Act 2001 and the Electricity (Electrical Installations) Regulations 2002	Licence no. E/122885	Date of issuance: 19 August 2024 and takes effect on 23 September 2021 / Date of expiry: 22 September 2025	The licence is to be displayed in a conspicuous position on the switchboard or in the switchroom	Complied
15.	JEP Engineering	National Environmental Agency	Licence / Certificate issued under the Radiation Protection Act 2007 (N2 Licence)	Licence no. N2/05318/000 1	Perpetual with recurring annual payment	<p>a. The licence shall be subject to suspension or cancellation at any time without compensation and without notice by the Director-General of Environmental Protection in the event of but not limited to the following events:</p> <ul style="list-style-type: none"> - breach of any restrictions or conditions subject to which it was issued; or - contravention of any of the provisions of the Radiation Protection Act 2007 or the Regulations thereunder. <p>b. Licensee who at any time changes the address of the authorised premises as appearing in this N2 licence should inform the Radiation Protection and Nuclear Science Department of the new address within two weeks of the change of address</p> <p>c. Application for the renewal of this licence shall be made not</p>	Complied

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						<p>later than one month before the expiry date as appearing in the N2 licence</p> <p>d. The licensee shall ensure that operator(s) of the laser licensed in the N2 licence have the appropriate N3 licence(s) from the Director of Radiation Protection and Nuclear Science Department authorizing the operation of the laser by the operator(s).</p>	
Malaysia							
1.	Ultimate Machining	Seberang Perai City Council ("MBSP")	Business Licence for "manufacturing engineering factory (machinery)"	PRI/02/202410 30/5229	30 October 2024 to 31 December 2025	Nil	Complied
2.	Ultimate Machining	MBSP	Business Licence for "manufacturing engineering factory (machinery)"	PRI/02/202404 02/9173	12 December 2024 to 31 December 2025	Nil	Complied
3.	Ultimate Machining	Ministry of International Trade and Industry of Malaysia ("MITI")	Manufacturing License dated 16 December 2008 by MITI to Ultimate Machining regarding the approval as a licensed manufacturer for "thin film deposition lines & parts thereof for solar industry, semiconductor equipment & parts thereof" and "drill and measurement equipment & parts thereof for oil & gas industry" at the address 1058, Jalan Kebun Baru, Juru,	A018336	From 16 December 2008	<p>1. The MITI and the Malaysian Investment Development Authority ("MIDA") has to be informed of the sale of shares in the company;</p> <p>2. The company has to train Malaysian citizens so that the transfer of technology and expertise can be channelled at all levels of positions;</p>	Complied

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
			Seberang Perai Tengah, 14100 Simpang Ampat, Pulau Pinang				
4.	Ultimate Machining	Royal Malaysian Customs Department	Warehouse Manufacturing Licence dated 27 November 2024 for the address of 1058 Jalan Kebun Baru, Juru, Seberang Perai Tengah, 14100 Simpang Ampat, Pulau Pinang and Lot P30, Lorong PSPN 9, Penang Science Park North, Mukim 13, 14100 Simpang Ampat, Pulau Pinang	P78-G6-2011-00000001	1 December 2024 to 30 November 2026	<ol style="list-style-type: none"> Licence and LMW Plan approved by the State Director of Customs shall be displayed at a prominent place on the premise; No dutiable goods other than raw materials/components and machinery used directly in manufacturing and manufactured goods which have been approved by the State Director Of Customs may be stored in the Licenced Manufacturing Warehouse; A copy of every plan approved by the State Director Of Customs shall be displayed at a prominent place on the premise after the premise has been licenced; Manufacturing and movement in and out of dutiable goods and manufactured goods shall be allowed at any time on any day according to the needs of the Licencee; Changes to the structure of buildings and equipment in the licenced premises are not permitted except with the written approval of The State Director Of Customs; State Director of Customs may at any time direct licensee to make any changes in the a plan deem necessary; 	Complied

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						<p>7. The State Director Of Customs may require licensee to install any lock, seal or other safety equipment deemed necessary to ensure against the lost of revenue;</p> <p>8. Licensee shall submit to Industry Branch Customs Office a monthly statement in Bahasa Malaysia by the 28th day of the following month. The statement should be certified by the Company's Account Officer with particulars as follows:-</p> <p>(a) Stock balance of each type of raw materials/components in storage at the beginning of the month.</p> <p>(b) The number of each type of raw materials/components that were imported in the month and its CIF price.</p> <p>(c) Total quantity of each type of raw materials/components used in that month for the purpose of manufacturing.</p> <p>(d) Stock balance of each type of raw material/components in storage at the end of the month.</p> <p>(e) Stock balance of each type of finished products in storage at the beginning of the month.</p>	

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						<p>(f) Total of each of finished products manufactured within the month.</p> <p>(g) Quantity of each type of finished products sold in the local market in the month. (Indicate Registration Number of Related Customs Form No.9).</p> <p>(h) Quantity of each type of finished products in exports in the month (note the number of Customs Form No.2 check all that apply).</p> <p>(i) Balance stock of each type of finishee products in storage at the end of the month.</p> <p>(j) Quantity of waste, waste management and waste production in the month.</p> <p>(k) Quantity of waste, waste management and waste production must be disposed in a month.</p> <p>9. Licensee shall submit an Annual Statement containing details of raw materials/components used, finished food produced, released and balance stock for the period 1 January to 31 December of each year using the format in Annex M4 certified and signed by the accountant of the company or other authorized officer by the licensee to the control station before January 31 of the following year. The statement shall be</p>	

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						<p>accompanied by the Annual Financial Statements of the Company which has been audited by an independent auditor. However, the Annual Report shall be submitted to the department within 30 days after the expiration of the company's financial year. Annual Financial Report of the company must be audited by an independent audit.</p> <p>10. Goods stored in the LMW should be arranged and labelled in such to ensure security as directed and for Customs inspection.</p> <p>11. Finished goods manufactured in LMW are to be kept separate from raw materials/components or manufacturing waste.</p> <p>12. At least 80% finished product (by value are to be exported, and not exceeding 20% of the finished product can be sold in the local market as approved. Goods sold in domestic market are subject to any prevailing duties/tax at the same time.</p> <p>13. Disposal of waste including manufacturing waste is subject to the written approval of the State Director of Customs.</p> <p>14. The licensee is responsible for receiving movement and storage of dutiable goods in a factory Licensed under Manufacturing Warehouse.</p>	

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						<p>15. Bank Guarantee/General Bond amounting RM3,000,000.00 is required from licensee to ensure the safety of duties/taxes on raw materials/components. Finish goods stored in the LMW and the transfer of dutiable goods.</p> <p>16. Licensee shall keep and maintain daily records of the quantity of raw materials/components in the store, the quantity used for manufacturing and the stock of the finished goods produced.</p> <p>17. Licensee shall notify the Proper Officer of Customs in writing within 14 days if;</p> <p>(a) There is a change in the Board of Directors of the Company;</p> <p>(b) Company has been winded up;</p> <p>(c) An application for winding up the company;</p> <p>(d) Appointment of Receiver or liquidator has been made;</p> <p>(e) The Company is subjected to civil claims, bankruptcy, closure and other similar matters.</p> <p>18. Licensee has to report any case of fire, natural disaster, theft or lost of raw materials, finished goods and machines. The report should contain quantity details and the duty involved together with the investigation report from the Fire and Rescue</p>	

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						<p>Department and Police Department.</p> <p>19. Application for renewal of license shall be made in the format as in Appendix 'B' to the State Customs Director at least one month before the expiry of the licensee.</p> <p>20. The license can be revoked at any time in the event of breach of conditions, under the Customs Act 1967 or Regulations thereunder.</p> <p>21. All duty/tax involved on the balance of raw materials, components and finished goods are payable (if any) before cancellation of license due to breach of conditions or company apply to cease operations.</p> <p>22. The issue of license shall not relieve the applicant or licensee from the obligation to comply with the requirements of any written law relating to other business.</p> <p>23. Breach of any conditions of the licensing are an offense which could be compounded under the Customs Act 1967 and the Customs Regulations 1977.</p> <p>24. The company shall prepare and maintain proper records for a period of six (6) years on the details of raw materials/components/parts/finished goods, waste, etc, or as</p>	

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						<p>determined by the State Customs Director.</p> <p>25. The Licensee is required to keep and maintain record on exempted machines and tools for a period of at least ten (10) years. These records shall be made available for inspection by Customs when required and during disposal. All machineries and equipments shall not be disposed off and removed from the LMW premise without approval from the Zone Operation Director/State Customs Director. The Duty/tax involved for machineries and equipments which the life span is less than 10 years from the date of exemption is to be paid (if applicable).</p> <p>26. Only one entity is allowed to operate within the premises of GPB. Any partnership with another entity within the same area is not allowed.</p>	
5.	Ultimate Machining	Ministry of Health Pulau Pinang	<p>Poisons Licence dated 16 December 2024 regarding the approval of selling goods by retail, to import, store and sell by wholesale such poisons (not being Group A Poison) specified as follows:</p> <ol style="list-style-type: none"> 1. Hydrofluoric acid; hydrogen fluoride; 2. Nitric acid (9% w/w and over); and 	015195	1 January 2025 to 31 December 2025	<p>Pursuant to Section 26(4) of the Poisons Act 1952, the licensing officer imposes the following conditions:</p> <ol style="list-style-type: none"> 1. The holder of the licence is not allowed to have other stores other than that specified on the licence or additional conditions if any. 2. For license holders dealing with Boric Acid and Sodium Borate, 	Complied

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
			3. Sodium hydroxide 12% and over (Part II only).			<p>both of these poisons are not allowed to be used/sold in the food industry.</p> <p>3. License holders are not allowed to import or operate as a broker/distribution agent unless they are a tendering company or have received confirmation from the supplier to act as an agent.</p> <p>4. Disposal of poisons and precursor chemicals must be conducted in accordance with procedures under the Environmental Quality Act 1974 and the Environmental Quality (Scheduled Wastes) Regulations 2005.</p>	
6.	Ultimate Machining	Ministry of Domestic Trade and Cost of Living	Scheduled Controlled Goods Permit for the approval to purchase and store Diesel (Euro 5) (non-subsidized) of 1,000 litres	PBKB/2024/P/ P-000069	26 January 2024 to 25 January 2027	<p>1. To conform with the description of the Scheduled Controlled Goods as stated in this permit;</p> <p>2. To store the Scheduled Controlled Goods at an address approved in this permit only;</p> <p>3. To keep or have in possession Scheduled Controlled Goods that do not surpass the allowed quantity in this permit;</p> <p>4. To buy Scheduled Controlled Goods which is stated for personal use and not to resell;</p> <p>5. To maintain a purchase record book containing the supplier's name and address, date of purchase, quantity and price and to keep invoices, receipts or any purchasing documents;</p> <p>6. To label Skid Tanks used for the storage of diesel oil and petrol</p>	Complied

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						with details of the name and address of the permit holder, telephone number of the inspector who can be contacted, permit reference number and type of Scheduled Controlled Goods;	
7.	Ultimate Manufacturing	MBSP	Business Licence for "manufacturing engineering / manufacturing engineering (machine)"	PRI/02/20221222/5406	12 December 2024 to 31 December 2025	Nil 7. This permit cannot be transferred; 8. The renewal of the permit must be submitted to the Supply Controller 30 days before its expiry; and 9. Scheduled Controlled Goods which are bought and stored are not subsidized controlled goods.	Complied
8.	Ultimate Manufacturing	MITI	Manufacturing License dated 30 November 2017 by MITI to Ultimate Manufacturing regarding the approval as a licensed manufacturer for "wafer deposition equipment and related modules for the front-end semiconductor industry" at the address 1058, Jalan Kebun Baru, Juru, Seberang Perai Tengah, 14100 Simpang Ampat, Pulau Pinang	A021091	From 31 July 2017	1. The MITI and MIDA has to be informed of the sale of shares in the company; 2. The company must train Malaysians so that the transfer of technology and expertise can be channeled at all levels of positions; 3. The company must comply with the conditions of the Capital Investment Per Employee (CIPE) of at least RM140,000.00; and 4. The company's full-time workforce must consist of at least 80% Malaysians ⁽¹⁾ . The employment of foreign nationals including workers obtained	Complied

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						through outsourcing is subject to the current policy.	
9.	Ultimate Manufacturing	Royal Malaysian Customs Department	Warehouse Manufacturing Licence for the address of 1058 Jalan Kebun Baru, Juru, Seberang Perai Tengah, 14100 Simpang Ampat, Pulau Pinang	P78G6 2017 000000 09	1 March 2024 to 28 February 2026	<ol style="list-style-type: none"> Licence and LMW Plan approved by the State Director of Customs shall be displayed at a prominent place on the premise; No dutiable goods other than raw materials/components and machinery used directly in manufacturing and manufactured goods which have been approved by the State Director Of Customs may be stored in the Licenced Manufacturing Warehouse; A copy of every plan approved by the State Director Of Customs shall be displayed at a prominent place on the premise after the premise has been licenced; Manufacturing and movement in and out of dutiable goods and manufactured goods shall be allowed at any time on any day according to the needs of the Licencee; Changes to the structure of buildings and equipment in the licenced premises are not permitted except with the written approval of The State Director Of Customs; State Director of Customs may at any time direct licensee to make any changes in the a plan deem necessary; 	Complied

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						<p>7. The State Director Of Customs may require licensee to install any lock, seal or other safety equipment deemed necessary to ensure against the lost of revenue;</p> <p>8. Licensee shall submit to Industry Branch Customs Office a monthly statement in Bahasa Malaysia by the 28th day of the following month. The statement should be certified by the Company's Account Officer with particulars as follows:-</p> <p>(a) Stock balance of each type of raw materials/components in storage at the beginning of the month.</p> <p>(b) The number of each type of raw materials/components that were imported in the month and its CIF price.</p> <p>(c) Total quantity of each type of raw materials/components used in that month for the purpose of manufacturing.</p> <p>(d) Stock balance of each type of raw material/components in storage at the end of the month.</p> <p>(e) Stock balance of each type of finished products in storage at the beginning of the month.</p>	

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						<p>(f) Total of each of finished products manufactured within the month.</p> <p>(g) Quantity of each type of finished products sold in the local market in the month. (Indicate Registration Number of Related Customs Form No.9).</p> <p>(h) Quantity of each type of finished products in exports in the month (note the number of Customs Form No.2 check all that apply).</p> <p>(i) Balance stock of each type of finishee products in storage at the end of the month.</p> <p>(j) Quantity of waste, waste management and waste production in the month.</p> <p>(k) Quantity of waste, waste management and waste production must be disposed in a month.</p> <p>9. Licensee shall submit an Annual Statement containing details of raw materials/components used, finished food produced, released and balance stock for the period 1 January to 31 December of each year using the format in Annex M4 certified and signed by the accountant of the company or other authorized officer by the licensee to the control station before January 31 of the following year. The statement shall be</p>	

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						<p>accompanied by the Annual Financial Statements of the Company which has been audited by an independent auditor. However, the Annual Report shall be submitted to the department within 30 days after the expiration of the company's financial year. Annual Financial Report of the company must be audited by an independent audit.</p> <p>10. Goods stored in the LMW should be arranged and labelled in such to ensure security as directed and for Customs inspection.</p> <p>11. Finished goods manufactured in LMW are to be kept separate from raw materials/components or manufacturing waste.</p> <p>12. At least 80% finished product (by value are to be exported, and not exceeding 20% of the finished product can be sold in the local market as approved. Goods sold in domestic market are subject to any prevailing duties/tax at the same time.</p> <p>13. Disposal of waste including manufacturing waste is subject to the written approval of the State Director of Customs.</p> <p>14. The licensee is responsible for receiving movement and storage of dutiable goods in a factory Licensed under Manufacturing Warehouse.</p>	

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						<p>15. Bank Guarantee/General Bond amounting RM3,000,000.00 is required from licensee to ensure the safety of duties/taxes on raw materials/components. Finish goods stored in the LMW and the transfer of dutiable goods.</p> <p>16. Licensee shall keep and maintain daily records of the quantity of raw materials/components in the store, the quantity used for manufacturing and the stock of the finished goods produced.</p> <p>17. Licensee shall notify the Proper Officer of Customs in writing within 14 days if;</p> <p>(a) There is a change in the Board of Directors of the Company;</p> <p>(b) Company has been winded up;</p> <p>(c) An application for winding up the company;</p> <p>(d) Appointment of Receiver or liquidator has been made;</p> <p>(e) The Company is subjected to civil claims, bankruptcy, closure and other similar matters.</p> <p>18. Licensee has to report any case of fire, natural disaster, theft or lost of raw materials, finished goods and machines. The report should contain quantity details and the duty involved together with the investigation report from the Fire and Rescue</p>	

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						<p>Department and Police Department.</p> <p>19. Application for renewal of license shall be made in the format as in Appendix 'B' to the State Customs Director at least one month before the expiry of the licensee.</p> <p>20. The license can be revoked at any time in the event of breach of conditions, under the Customs Act 1967 or Regulations thereunder.</p> <p>21. All duty/tax involved on the balance of raw materials, components and finished goods are payable (if any) before cancellation of license due to breach of conditions or company apply to cease operations.</p> <p>22. The issue of license shall not relieve the applicant or licensee from the obligation to comply with the requirements of any written law relating to other business.</p> <p>23. Breach of any conditions of the licensing are an offense which could be compounded under the Customs Act 1967 and the Customs Regulations 1977.</p> <p>24. The company shall prepare and maintain proper records for a period of six (6) years on the details of raw materials/components/parts/finished goods, waste, etc, or as</p>	

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						<p>determined by the State Customs Director.</p> <p>25. The Licensee is required to keep and maintain record on exempted machines and tools for a period of at least ten (10) years. These records shall be made available for inspection by Customs when required and during disposal. All machineries and equipments shall not be disposed off and removed from the LMW premise without approval from the Zone Operation Director/State Customs Director. The Duty/tax involved for machineries and equipments which the life span is less than 10 years from the date of exemption is to be paid (if applicable).</p> <p>26. Only one entity is allowed to operate within the premises of GPB. Any partnership with another entity within the same area is not allowed.</p>	
10.	JEPSB	MITI	Manufacturing License dated 22 January 2021 by MITI to JEP regarding the approval as a licensed manufacturer for "aircraft parts and components" at the address Plot P30A, Mukim 13, Seberang Perai Tengah, Penang Science Park North, 14100 Seberang Perai Tengah, Pulau Pinang	A022976	From 22 January 2021	<p>1. The MITI and MIDA has to be informed of the sale of shares in the company;</p> <p>2. The company must train Malaysians so that the transfer of technology and expertise can be channeled at all levels of positions;</p> <p>3. The company must comply with the conditions of the Capital Investment Per Employee</p>	Complied

ANNEXURE D: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Licence/ permit/ serial/ reference no.	Validity period	Salient conditions	Status of compliance
						(CIPE) of at least RM140,000.00; and 4. The company's full-time workforce must consist of at least 80% Malaysians ⁽¹⁾ . The employment of foreign nationals including workers obtained through outsourcing is subject to the current policy.	
11.	SASB	MBSP	Temporary Business Licence for "Aluminium wholesaler – cut to customer request size"	PRI/01/202404 16/1897	8 January 2025 to 31 December 2025	Nil	Complied

Note:

- (1) MITI, via a media announcement on 16 December 2024, extended the suspension of compliance with the 80:20 employment ratio requirement for the manufacturing sector until the full implementation of the Multi-Tiered Levy Mechanism.

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ANNEXURE E: OUR MATERIAL PROPERTIES, PLANTS AND EQUIPMENT

E.1 MATERIAL PROPERTIES OWNED BY OUR GROUP

The details of our material land and buildings owned by us are set out below:

Singapore

No.	Name of registered owner/ Title lot. no./ Postal address/ Tenure	Description of property/ Existing use	Date of issuance of CCC or equivalent	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Category of land use/ Express condition/ Restriction in interest	Encumbrances on property	NBV as at FYE 2024 (S\$'000)
1.	SSPL / Lot number: MK7-U750W / 1 Tuas South Ave 6, #06-15, The Westcom Singapore 637021 / Leasehold estate of 60 years commencing on 9 July 1996	B2 Industrial Property, unit within a multi-storey development / Rental property used as warehouse by tenant	4 May 2016	395 / 395	<u>Category of land use</u> Factory <u>Express Condition</u> Nil <u>Restriction in interest</u> Nil	Nil	555

ANNEXURE E: OUR MATERIAL PROPERTIES, PLANTS AND EQUIPMENT (Cont'd)

Malaysia

No.	Name of registered owner/ Title lot. no./ Postal address/ Tenure	Description of property/ Existing use	Date of issuance of CCC or equivalent	Built-up area/ Land area (approximate) (sq metres unless otherwise stated)	Category of land use/ Express condition/ Restriction in interest	Encumbrances on property	NBV as at FYE 2024 (S\$'000)
2.	Ultimate Machining / Geran 161793, Lot 7105, Mukim 13, Daerah Seberang Perai Tengah, Negeri Pulau Pinang / 1058 Jalan Kebun Baru, Juru, 14100 Simpang Ampat, Pulau Pinang / Freehold	1 block of single storey production factory and 2 blocks of 3-storey production factories with offices used for manufacturing of precision machining parts	11 November 2010	44,287 / 54,140	<u>Category of land use</u> Nil <u>Express condition</u> The land comprised in this title: (a) Shall not be affected by any provision of the National Land Code limiting the compensation payable on the exercise by the State Authority of a right of access or use conferred by Chapter 3 of Part Three of the Code or on the creation of a Collector's right of way; and (b) Subject to the implied condition that land is liable to be re-entered if it is abandoned for more than three years, shall revert to the State only if the proprietor for the time being dies without heirs; And the title shall confer the absolute right to all forest produce and to all oil, mineral and other natural deposits on or below the surface of the land (including the right to work or extract any such produce or deposit and remove it beyond the boundaries of the land).	Nil	13,226

ANNEXURE E: OUR MATERIAL PROPERTIES, PLANTS AND EQUIPMENT (Cont'd)

No.	Name of registered owner/ Title lot. no./ Postal address/ Tenure	Description of property/ Existing use	Date of issuance of CCC or equivalent	Built-up area/ Land area (approximate) (sq metres unless otherwise stated)	Category of land use/ Express condition/ Restriction in interest	Encumbrances on property	NBV as at FYE 2024 (S\$'000)
					<u>Restriction in interest</u> Nil.		
3.	Ultimate Mechanical / PN 12096, Lot 21049, Mukim 13, Daerah Seberang Perai Tengah, Negeri Pulau Pinang / 1058 Jalan Kebun Baru, Juru, 14100 Simpang Ampat, Pulau Pinang 60 years leasehold ending 12 March 2082 ("Lot P30")	A land with single storey factory and 2-storey office used for manufacturing of precision machining parts	26 December 2023	12,062 / 16,997	<u>Category of land use</u> Business and industrial ("Perusahaan/Perindustrian") <u>Express condition</u> (a) The owned land must be used for the purpose of "Production of air and spacecraft and related parts and component, semiconductor back end complete machine build, designed, engineered and manufacture of water and chemical engineering solutions for oil and gas industries, power generation and chemical industries and special purpose machinery parts and component." (b) The first owner after the Penang Island Development Corporation must within 2 years from the date the transfer of ownership is registered or within a period approved by the State Authorities, erect a factory building or factory buildings on the land owned according to	Nil	10,563

ANNEXURE E: OUR MATERIAL PROPERTIES, PLANTS AND EQUIPMENT (Cont'd)

No.	Name of registered owner/ Title lot. no./ Postal address/ Tenure	Description of property/ Existing use	Date of issuance of CCC or equivalent	Built-up area/ Land area (approximate) (sq metres unless otherwise stated)	Category of land use/ Express condition/ Restriction in interest	Encumbrances on property	NBV as at FYE 2024 (S\$'000)
					the plan approved by the Local Authorities.		
					<u>Restriction in interest</u> The owned land cannot be transferred, mortgaged, sub-leased, leased or involved in any transaction without the written permission of the State Authorities.		
4.	JEPSB / PN 12295, Lot 21055, Mukim 13, Daerah Seberang Perai Tengah, Negeri Pulau Pinang / Lot P30A, Lorong PSPN 9, Penang Science Park North, Mukim 13, Seberang Perai Tengah, Simpang Ampat, 14100 Seberang Perai Tengah, Pulau Pinang / 60 years leasehold ending 15 April 2082 ("Lot P30A")	3-storey factory used for manufacturing of precision machining parts	7 April 2024	7,742 / 12,302	<u>Category of land use</u> Business and industrial ("Perusahaan/Perindustrian") <u>Express condition</u> (a) The owned land must be used for the purpose of "steel structure fabrication and high precision machining for aerospace, semiconductor and high precision machining for aerospace, semiconductor and oil and gas industries" only (b) The first owner after the Penang Island Development Corporation must within 2 years from the date the transfer of ownership is registered or within a period approved by the State Authorities, erect a factory building or factory buildings on the land owned according to	Nil	7,245

ANNEXURE E: OUR MATERIAL PROPERTIES, PLANTS AND EQUIPMENT *(Cont'd)*

No.	Name of registered owner/ Title lot. no./ Postal address/ Tenure	Description of property/ Existing use	Date of issuance of CCC or equivalent	Built-up area/ Land area (approximate) (sq metres unless otherwise stated)	Category of land use/ Express condition/ Restriction in interest	Encumbrances on property	NBV as at FYE 2024 (S\$'000)
					the plan approved by the Local Authorities.		
					<u>Restriction in interest</u> The owned land cannot be transferred, mortgaged, sub-leased, leased or involved in any transaction without the written permission of the State Authorities.		
5.	Ultimate Manufacturing / N/A ⁽¹⁾ / Plot P30B, Mukim 13, Daerah Seberang Perai Tengah, Utara Penang Science Park, Pulau Pinang ("Lot P30B")	Vacant land to be used for industrial purposes	N/A	21,760.61	N/A ⁽¹⁾	Nil	Nil ⁽²⁾

Notes:

(1) As at the LPD, this land has not been issued with a land title by the relevant land office.

(2) The property was acquired by us pursuant to a sale and purchase agreement dated 28 August 2024 for a total purchase price of RM15.2 million. Please see Section 14.6.2 of this Prospectus for further details of the sale and purchase agreement. The acquisition of the property was completed on 18 February 2025.

There is no breach of any land use conditions / permissible land use and/or non-compliance with any applicable laws, rules and regulations which may materially affect our Group's operations and utilisation of our assets in respect of the properties rented by our Group above.

ANNEXURE E: OUR MATERIAL PROPERTIES, PLANTS AND EQUIPMENT (Cont'd)

E.2 PROPERTIES LEASED/TENANTED BY OUR GROUP

The details of material properties leased/tenanted by us are set out below:

No.	Name of lessor/lessee or landlord/tenant or tenant or sub- tenant/ Lot. no./ Postal address	Description of property/ Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Period of tenancy or lease	Annual rental
Singapore						
1.	Jurong Town Corporation (Landlord) / SSPL (Tenant) Lot Number: MK7-1847T / 32 Gul Lane, Singapore 629426	B2 Industrial property / Single-storey mixed-use terrace factory with mezzanine floor for the storage of aluminium materials and as office space	10 September 1993 19 July 1994 (overhead travelling crane) 27 March 2013 (addition and alteration to existing factory)	1,282.09 / 1,411.5	Thirty years from 1 January 2023	S\$2,219.34 (after goods and services tax ("GST")) x 12 = S\$26,632.08
2.	Jurong Town Corporation (Landlord) / SSPL (Tenant) Lot Number: MK7-1848A / 34 Gul Lane, Singapore 629428	B2 Industrial property / Single-storey mixed-use terrace factory with mezzanine floor for the cutting/processing/fabrication and storage of aluminium materials in sheet/plate/coil/bar form and as office space	10 September 1993 26 December 2018 (addition and alteration works to existing factory)	1,282.09 / 1,412.1	Thirty years from 1 October 2000	S\$2,220.28 (after GST) x 12 = S\$26,643.36
3.	Jurong Town Corporation (Landlord) / UMS Solutions (Tenant) Lot Number: MK31 – 4033P / 25 Changi North Crescent, Singapore 499617	B2 Industrial Property / Single-storey mixed-use facility with mezzanine level for use as registered office, warehouse, factory, manufacturing	25 September 1997 14 July 2006 (addition and alteration to existing factory)	6,359.36 / 7,610.7	Thirty years from 1 February 2003	S\$11,642.04 (after GST) x 12 = S\$139,704.48

ANNEXURE E: OUR MATERIAL PROPERTIES, PLANTS AND EQUIPMENT (Cont'd)

No.	Name of lessor/lessee or landlord/tenant or tenant or sub-tenant/ Lot. no./ Postal address	Description of property/ Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Period of tenancy or lease	Annual rental
4.	Jurong Town Corporation (Landlord) / UMSPL (Tenant) Lot Number: MK31 – 4032V / 23 Changi North Crescent, Singapore 499616	B2 Industrial Property / Single-storey mixed-use facility with mezzanine level for use as registered office, warehouse, factory, manufacturing	25 September 1997 30 April 1999 (addition and alteration to existing factory)	6,119.79 / 7,610.6	Thirty years from 16 August 1997, and a further term of 30 years upon expiry of the initial term, subject to certain conditions set out in the Lease Agreement	S\$13,854.30 (after GST) x 12 = S\$166,251.60
5.	Jurong Town Corporation (Landlord) / JEP Engineering (Tenant) Lot Numbers MK31-2619P and MK31-4880M / Land together with the building at Private Lot A1917803 at 2 Loyang Way 4, Singapore 507098 also known as Government Survey Lot 02619P of Mk 7	B2 Industrial Property / 2-storey factory with a mezzanine level and single-story rear extension, and a 4-storey mixed-use facility with factory for large format precision engineering and equipment fabrication, as office space and as dormitory for workers	2 June 1997 (for the 2-storey factory) 25 September 2009 (addition and alteration to existing factory) 7 September 2016 (for the 4-storey mixed use facility with dormitory)	6,215.66 / 6,233.6	Thirty years from 1 June 2007	S\$10,610.01 (after GST) x 12 = S\$127,320.12
6.	Jurong Town Corporation (Landlord) / JEPPL (Tenant) Lot Number: MK20-4831K / 16 Seletar Aerospace Crescent, Singapore 797567	B2 Industrial Property / 4-storey mixed-use facility for the manufacturing and engineering of components for precision engineering industries and as office space	16 June 2021	18,502.1 / 18,502.1	Thirty years from 1 February 2015	S\$27,057.78 (after GST) x 12 = S\$324,693.36

ANNEXURE E: OUR MATERIAL PROPERTIES, PLANTS AND EQUIPMENT (Cont'd)

No.	Name of lessor/lessee or landlord/tenant or tenant or sub-tenant/ Lot. no./ Postal address	Description of property/ Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Period of tenancy or lease	Annual rental
7.	Jurong Town Corporation (Landlord) / JEPPL (Tenant) Nil ⁽¹⁾ / 8 Buroh Street, #01-05/16 Surface Engineering Hub, Singapore 627563	B2 Industrial Property / unit within a multi-storey development / used for electroplating and surface treatment of metals	14 November 2016 19 April 2018 (addition and alteration to existing building) 4 December 2014 (addition and alteration to specific units in building) 5 December 2014 (addition and alteration to existing building)	592.6 / 592.6	Three years from 1 August 2023	S\$78,934.32
Malaysia						
8.	Seah Siew Hieok (Landlord) / SASB (Tenant) GM 588, Lot 1436 and GM 589, Lot 1437, both situated on Mukim 12, Daerah Seberang Perai Tengah, Negeri Pulau Pinang / Lot 1436 & 1437 Jalan Kebun Baru, Juru Estate 14100, Simpang Ampat, Pulau Pinang	Single storey mixed used facility used for storing aluminium materials, cutting of aluminium to customer specifications and administrative functions (such as order management, logistics coordination and general office operations)	Nil ⁽²⁾	595 / 11,003	From 1 September 2023 to 31 August 2025 with option to renew for a further 2 years ⁽²⁾	RM54,000.00

ANNEXURE E: OUR MATERIAL PROPERTIES, PLANTS AND EQUIPMENT (Cont'd)

Notes:

- (1) The lot number for this property is not available. Leases below 7 years are not required to be registered pursuant to section 87 of the Land Titles Act 1993 of Singapore.
- (2) We have yet to obtain the CCC for this property. Our Group is in the midst of acquiring a New Property (as defined in Section 7.22 of this Prospectus). Our Group has sought for an extension of 6 months to our tenancy of Lots 1436 and 1437 (expiring in August 2025) until February 2026. Our Group intends to cease our operations at Lots 1436 and 1437 upon the relocation to the New Property and expiry of the tenancy in February 2026. Further details of the occupation of Lots 1436 and 1437 without CCC are set out in Section 7.22 of this Prospectus.

Save as disclosed above, there is no breach of any land use conditions / permissible land use and/or non-compliance with any applicable laws, rules and regulations which may materially affect our Group's operations and utilisation of our assets in respect of the properties rented by our Group above.

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